The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

U. S. A. Neutral on European Issues But Not on Sino-Japan Question

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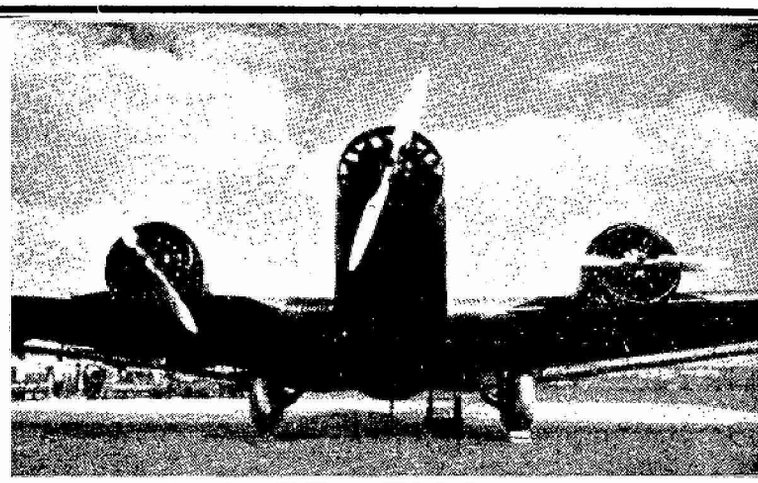

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FALL TIME TABLE 1935

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West Bound			East Bound		
6.30	Dep.	Shanghai	Arr.	18.15	
7.45	Arr.	Nanking	Dep.	17.00	
8.00	Dep.	Nanking	Arr.	16.50	
10.40	Arr.	Chengchow	Dep.	14.10	
11.10	Dep.	Chengchow	Arr.	13.40	
13.20	Arr.	Sian	Dep.	11.30	
13.30	Dep.	Sian	Arr.	11.00	
16.30	Arr.	Lanchow	Dep.	8.00	
	Dep.	Lanchow	Arr.		
	Arr.	Suchow	Dep.		
	Dep.	Suchow	Arr.		
	Arr.	Hami	Dep.		
	Dep.	Hami	Arr.		
	Arr.	Urumtchi	Dep.		
	Dep.	Urumtchi	Arr.		
	Arr.	Tchukuchak	Dep.		

Tuesday & Friday — Wednesday & Saturday

Peiping-Canton Line

South Bound			North Bound		
7.00	Dep.	Peiping	Arr.	11.30	
10.30	Arr.	Chengchow	Dep.	8.00	
	Dep.	Chengchow	Arr.		
	Arr.	Hankow	Dep.		
	Dep.	Hankow	Arr.		
	Arr.	Changsha	Dep.		
	Dep.	Changsha	Arr.		
	Arr.	Canton	Dep.		

Tuesday & Friday — Thursday & Sunday

Lanchow-Paotow Line

North Bound			South Bound		
8.00	Dep.	Lanchow	Arr.	16.20	
10.00	Dep.	Ninshia	Dep.	14.20	
10.20	Dep.	Ninshia	Arr.	14.00	
12.20	Arr.	Paotow	Dep.	12.00	

Wed. & Sat. — Tues. & Fri.

Sian-Chengtu Line

South Bound			North Bound		
14.00	Dep.	Sian	Arr.	11.00	
15.00	Arr.	Hanchung	Dep.	10.00	
15.10	Dep.	Hanchung	Arr.	9.50	
17.00	Arr.	Chengtu	Dep.	8.00	

Tues. & Fri. — Wed. & Sat.

NOTES: 1. This time table is effective on and after 25th September and is subject to change without notice.

2. Special figihts to other places can be arranged by special agreement.

Latest New York Stock Exchange Quotations

October 23, 1935
Stock Exchange — Business Done:-
Total Volume: 2,840,000 Shares

1934-35 High	1934-35 Low	Div. $ per sh.	STOCKS	Last Sale Oct. 21	Last Sale Oct. 22
9⅝	4¼	—	Adams Express	8⅝	9⅛
146⅞	110	4.00	American Can	146⅞	148¾
28¼	20¼	0.40	Amer. Cyanamid "B"	26¾	26¾
9¼	2	—	American & For. Power	6¼	6⅝
42	14	—	American & Foreign Pwr. $7 pref.	32	34¼
18⅝	10½	—	American Radiator & S.S.	17⅝	17½
145⅝	99⅞	9.00	American Tel. & Tel.	141⅞	141¼
105	72½	5.00	American Tobacco "B"	104	104½
19¼	7⅛	—	American Waterworks	16⅞	18¼
28⅛	8	—	Anaconda Copper	20⅝	20¼
57¼	35⅝	2.00	Atchison, T. & S. Fe	47½	49
44½	15	—	Auburn	44⅜	43⅝
18	7½	—	Baltimore & Ohio	14⅞	15⅜
41½	21⅝	—	Bethlehem Steel	39	39⅜
16¼	6⅛	—	Boeing Airplane Co.,	16¼	15⅝
18⅝	8⅝	—	Canadian Pacific Railway	9⅜	9⅜
94½	54⅝	—	Case, J. I.	94½	94⅞
57	36½	1.00	Caterpillar Tr.	57	56
30⅞	20¼	1.40	Chase National Bank	30⅞	32⅝
47⅝	36	3.00	Chesapeake Corp.	45	45
47½	37⅛	2.80	Chesapeake & Ohio	45	45
87¼	31	1.00	Chrysler	87¼	84⅞
14	2⅝	0.20	Columbia Gas & Electric	13¼	14⅝
28¾	17⅝	0.60	Coml. Solvents	19	19½
2⅞	0⅝	—	Commonwealth & Southern (ord.)	2	2⅛
34¼	15⅞	1.00	Consolidated Gas of N. Y.	29	30⅞
10⅛	6¼	0.25	Consolidated Oil	8¾	8¼
28	15⅛	0.25	Contin·ntal Oil	21⅝	22
78⅝	60¼	3.00	Corn Products	64¼	64½
34¾	17⅛	0.75	Douglas Aircraft	34⅝	33⅝
136½	86⅝	3.60	Du Pont de Nemours	136½	133½
20⅜	3¼	—	Electric Bond & Share	13¼	15¼
35⅝	20½	0.80	General Electric	35¼	35
37½	30	1.80	General Foods	34½	34
51⅝	26⅝	2.00	General Motors	51⅝	51½
34¾	15¾	1.00	General Railway Signal	31¼	30⅝
18	14⅜	1.20	Gold Dust	17¼	17
26⅞	15⅝	—	Goodyear Tire & Rubber	19	19
64	44	1.00	Humble Oil	56¾	56
31⅝	22¼	0.80	International Nickel	31¼	30¾
12⅝	5⅝	—	International Tel. & Tel	10⅞	10½
86⅛	38½	0.25	Johns Manville	86⅛	85½
26½	13¾	0.60	Kennecott	24½	24½
49¾	31¼	2.00	Loew's Inc.	49¾	49¾
26⅛	18½	1.20	Lorillard	25¼	25⅝
94¼	55	1.00	Monsanto Chemical	94¼	92½
37⅝	21¾	—	Montgomery Ward	33¼	32⅞
33	18½	1.00	National City Bank	28⅝	29¼
18	12⅛	1.20	National Dairy Prods.	18	17⅞
33⅛	23½	2.00	National Distillers	33½	32⅝
14⅝	4⅜	0.80	National Power & Lt.	9⅝	10¼
27¼	12¼	—	New York Central	23	23⅜
24¼	9	1.00	North American	20⅞	22¾
28¾	13⅛	1.50	Pacific Gas & Electric	27⅞	28⅝
44⅞	19	2.40	Pacific Lighting	44⅞	45
7¼	3½	—	Packard Motors	7¼	7¼
84⅝	57¼	2.00	Penney, J.C.	79¼	80
30½	17¼	1.00	Pennsylvania Railroad	27⅛	27½
31¼	18¾	1.00	Phillips Petroleum	31¼	31½
45	20⅜	2.40	Public Serv. of N.J.	40⅞	42
8½	4	—	Radio Corporation	8½	8⅝
57	48⅛	3.00	Reynolds Tobacco "B"	56⅞	56⅝
51½	22	—	Schenley	51¼	50¼
61⅝	31	0.75	Sears Roebuck	58⅝	59¼
15⅝	10⅝	0.30	Socony-Vacuum	11⅝	11½
23½	10⅝	1.50	Southern California Edison	22⅞	23⅞
21½	12⅝	—	Southern Pacific	18⅝	18½
19½	12½	0.80	Standard Brands	14⅝	14¼
9¾	1½	—	Standard Gas & Electric	3¼	4⅝
50½	35⅝	1.00	Standard Oil Co. of N. J.	46½	47
67⅝	58⅝	3.80	Sterling Products	64	64
36¼	23⅜	2.00	Texas Gulf Sulphur	31⅝	31⅝
8½	4⅞	0.80	Transamerica	8⅜	8⅝
72½	48	1.60	Union Carbide & Carbon	72½	71½
111⅜	82¼	6.00	Union Pacific	93¼	95⅝
21¼	9⅞	—	United Aircraft (New)	21¼	20½
10⅝	4½	—	United Airline Trans.	9⅞	9⅝
6⅝	1½	—	United Corporation	4⅞	5⅝
18¼	9⅝	1.00	United Gas Improvement	16¼	17⅜
66¾	51	2.00	Universal Leaf	64	63¾
48⅛	35⅝	2.00	U.S. Indus. Alcohol	48	47¼
17¼	9⅝	—	U. S. Rubber	14⅛	13⅝
48¾	27⅞	—	U. S. Steel	46⅝	46⅝
21⅝	11¼	—	Vanadium	18¼	18¼
8¼	2¼	—	Warner Bros. Pictures	8	7⅞
87⅞	32⅝	0.50	Westinghouse Electric	87	86

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密勒氏評論報

The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

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THE CHINA WEEKLY REVIEW

Formerly Millard's Review

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII SHANGHAI CHINA TELEPHONE 14741 CABLE ADDRESS 'REVIEWING SHANGHAI"

WHY MUSSOLINI NOW ADMIRES IMPERIAL JAPAN!

FOR many months prior to Mussolini's adventure into Ethiopia the Italian dictator professed deep interest in Oriental affairs and most of his public pronouncements were critical of Japanese aggression in China. Following the Japanese seizure of Mukden in 1931 Mussolini contributed numerous articles to the Italian press which indicated a deep insight into Far Eastern politics. One such article published in the summer of last year dealt with the so-called "Kuramoto" incident in Nanking, involving the disappearance of a Japanese vice-consul. Mussolini argued in his article that Kuramoto's disappearance was a "frame-up" and that the Japanese warlords were seriously disappointed when Kuramoto suddenly emerged from his "boy scout" adventure on Purple Mountain. Owing to Il Duce's propaganda the Chinese people were led to believe that they had a sincere friend in the Italian dictator and largely as a result China purchased a considerable number of Italian airplanes and Mussolini sent an air-mission here which conducted an advanced-grade flying school at Nanchang. But when the Ethiopian crisis developed, Mussolini withdrew his aviators for service in Africa—and now there are indications that Il Duce has transferred his affections to Japan. On Oct. 14 the *Asahi Shimbun*, leading Japanese newspaper, published an interview with Mussolini wherein the Italian leader declared he had always been an admirer of Japan. This admiration, according to the article, was based on three fundamental reasons:

1—The Japanese people are full of courage They are strong and can accomplish great things when they want to

2—The birth-rate in Japan is high and its population is growing, as Italy's is.

3—Though Japan respects tradition, it always keeps abreast of the times and regards its life-line as important

Of even more significance, however, was Mussolini's declaration, "The League of Nations is nothing but an organ of despots who do not understand Italy' position. Japan was wise in leaving it. I do not think Japan will return to the League

and I likewise do not think Germany will return to the League." The Dictator then waxed enthusiastic on the similarities of the two countries, Italy and Japan, and declared that his invasion of Ethiopia did not involve any "racial" issues. He said that some 3,000,000 Abyssinians of the Semitic race had enslaved 7,000,000 people of other races. Mussolini claimed that recent misunderstandings between his country and Japan had been due to articles written by an English newspaper correspondent who had "misquoted" a statement referring to Japan's interests in Ethiopia.

Mussolini's apparent intention to transfer his affections to Imperial Japan is of special interest now due to China's consideration of the question of sanctions against Italy on the Ethiopian issue. A dispatch from Nanking on Oct. 19 stated that the Foreign Office had received the text of the League's resolution concerning financial sanctions as well as a list of war materials to be banned from export to Italy. After the resolutions had been translated into the Chinese language they were transmitted to the Executive Yuan for consideration but no statement on the subject has as yet been issued.

SOME STRAWS IN THE FAR EASTERN POLITICAL WIND

WE cite the following excerpts from recent news reports appearing in the Shanghai newspapers, as proof that the Far East and China questions have not been entirely overlooked in world capitals as a result of the Italo-Ethiopian crisis:—

1—"Officials in Washington declined to comment on the newest developments (Japan's plan for further aggression in China), but privately reaffirmed the fact that the United States was determined to obtain adherence to the Nine-Power Pact. . . . The Government's attitude was widely interpreted as aiming to avoid an issue with Japan until a more favorable time." —*United Press* report from Washington, Oct. 17.

2—"Sixty giant bombing planes, capable of non-stop flights across the Pacific, are soon to be constructed for the United States Navy, according to an official announcement made today. . . . The new dreadnaughts of the air are to be similar in design to the record-breaking seaplane in which Lieut.-Comm. Kneller McGinnis flew this week from Panama to Alameda, Cal, the distance being 4,043 miles without stop in 31 hours and 43 minutes."—*United Press* from San Pedro, Cal., Oct. 18.

3—"America's moral influence will be exerted to the fullest to prevent the aggravation of the Soviet-Manchurian dispute regarding alleged border violations, and also to avert the outbreak of war in the other parts of the world, it was indicated in Washington today. . . . The frequency of recent Russo-Japanese clashes also served to diminish apprehension that each incident would be likely to start an Asiatic war. . . . Nevertheless, the clash sharply reminded officials and the public that the strategic frontier of the United States lies toward Asia, where the fleet is at present concentrated instead of in the Mediterranean, to which the Italo-Ethiopian hostilities have largely diverted public interest in recent months."—*United Press*, Washington, Oct. 14.

4—"Dr. Guy Talbot, field representative of the National Council for the prevention of war, declared in the course of an address at the annual convention of the organization, that the United States should decline to grant naval parity to Japan until civil forces regain control of Japan's armed forces. . . . Dr. Talbot, recently returned from an extensive tour of the Far East."—*United Press*, Washington, Oct. 17.

5—"Soviet circles denied the report that Soviet Russia had inquired whether Great Britain would show as much zeal in opposing aggression in the Far East as she was now in the case of the conflict in East Africa . . . . The inquiry allegedly was made by the Soviet Foreign Commissar, M. Litvinoff, who is said to have addressed it to Anthony Eden, Minister without Portfolio for League of Nations Affairs in the British Government. . . . The report was first published in the *Asahi Shimbun*, Tokyo on Oct. 17 from a 'trustworthy source,' . . . . The Japanese paper charged that the Soviets were trying to restrain Japan while posing as an earnest supporter of the League. . . . At the recent meeting of the League Control Committee Litvinoff took as strong an attitude as Great Britain, urging the Committee to apply sanctions against all nations, whether members or non-members of the League. . . ." *Reuter* reports from Tokyo and Geneva, Oct. 17 and 18.

6—"President Roosevelt appealed to the American nation today to support efforts for peace, the occasion being the Fifth Annual Quorum on Current Problems, a women's conference. . . . The function of modern government, the President declared, is prevention of war rather than the gathering up of wreckage after devastation. . . . 'I have pledged to do my part in keeping America free from those entanglements that move us along the road to war. . . . The task will be easier if citizens particularly women, seek the truth and realize that it is the failure of reason which permits the waging of modern war.'" *Reuter* message from New York, Oct. 18.

7—"Pointing out that America's foreign relations are in charge of the State Department, Secretary of War Dern declined to comment on Japanese-American relations. . . . There is nothing more attached to Philippine independence than the fact the United States promised it to them and that now the promise is going to be carried out. . . . But the Philippines are not to be independent right away. . . . With the establishment of the Commonwealth Government the Filipinos are given ten years in order to adjust their country gradually to the point where they can conduct their affairs properly." *Japan Advertiser* interview with Secretary Dern upon his arrival in Japan on Oct. 15.

8—"Admiral Ernest Joseph King, chief of the Bureau of Naval Aeronautics, announced today the bases of 36 of the 60 new seaplanes which are being built at the present time. Two squadrons of 12 seaplanes each will be based at Pearl Harbor, Honolulu and 12 more will be attached to the U. S. S. Wright. Admiral King said that the remainder would probably use San Diego for their base. It also was announced that the aircraft carriers Essex, Enterprise, and Yorktown, now in course of construction, would be stationed at San Diego permanently. The seaplanes referred to are similar to Commander McGinnis' record-breaker, which carries two radial engines each developing 1,000 horse-power. The armament, however, remains secret." *United Press* report from San Diego, Cal., Oct. 19.

Elsewere in this issue of *The Review* appears an article by Dr. Thomas F. Millard, in which there is an amplification of some of these references in the news reports to the situation in the Far East. Mr. Millard, who writes on the subject, "China and the European Situation," needs no introduction to newspaper readers in the Far East. He has just returned to China from a visit of more than a year in the United States and

Europe, hence his article is of more than usual significance in that it deals with developments of which he possesses recent first-hand information.

THE JAPANESE ATTACK ON SIR FREDERICK LEITH-ROSS

SIR Frederick Leith-Ross, described as the chief economic adviser to the British Government, arrived in Japan on Sept. 6 for the announced purpose of "inspecting financial conditions in China." He was accompanied by officials of the British Treasury and Bank of England and was joined later on, following his arrival in China, by another British financial expert who previously had been attached to the colonial government at Hongkong. Prior to leaving England Leith-Ross was said to have held a conference with J. P. Morgan the American financier, who allegedly went to London for the purpose. This made it unnecessary for Leith-Ross to travel across the U.S.A. on his trip to the Orient; he took the Canadian route instead. Although Leith-Ross' destination was China he visited Japan first and spent considerable time there, prior to coming to this country. But despite his obvious attempt to placate the Japanese, the officially inspired press of that country began attacking him even before his arrival and the compaign has continued without cessation, reaching its apex on Oct. 11 when Major-General Rensuke Isogaya, Japanese military attache in China issued a statement practically warning the British financial expert to wind up his activities and go home. Isogaya declared that if the Leith-Ross Mission "was for the good of China and Oriental peace, Japan would welcome it, but if not, Japan would see that Leith-Ross didn't get very far." This strong language, was used by Japan's official military representative here just prior to the opening of the recent Dairen military conference wherein a half dozen of Japan's leading warlords representing branches of the Imperial army in Japan proper, Manchukuo and North China discussed plans for enforcing Japan's so-called "new policy," upon China. Numerous versions of the new policy have been reported in the Japanese press (See The Review for Oct. 12) but generally the main objective is to take advantage of the new situation created by the Italo-Ethiopian crisis which has forced the various European nations to withdraw their naval forces from the Far East, thus giving Japan a free hand.

The Japanese newspapers first declared that unless Britain was prepared to open up her colonies and dominions to practically unrestricted Japanese trade and recognize Japan's "dominance" in China and Asia generally, that Japan would not permit Britain to engage in further unrestricted financial activities in this quarter of the world. Since then the Japanese newspapers have continued their attacks, the most virulent and insulting being those leveled at the Leith-Ross Mission by the Japanese newspapers in Shanghai which are under the direct control of the Japanese military authorities. Space is not available for a reproduction of the numerous editorials denouncing the British Mission which have been published in the local Japanese papers, but in recent days the Japanese have been forecasting the failure of the Mission and suggesting that Leith-Ross would shortly return to England. These statements appeared in the *Nichi-Nichi Shimbun* (Tokyo) on Oct. 15, *Shanghai Mainichi* on Oct. 19 and *Shanghai Nippo* on Oct. 20. Then on Oct. 21, Naojiro Kikumoto, president of the board of the Mitsui Bank, who recently visited in China, issued a statement which was circulated through *Rengo* to the effect that the Chinese were now "obviously in earnest in their desire for collaboration with Japan *due to the seeming failure of a certain other foreign country to provide financial aid to China.*" On Oct. 22 the *Shanghai Mainichi*, generally recognized as the organ of the Japanese military attache's office, alleged that Sir Frederick's proposal that the Nanking Government should recognize Manchukuo had caused dissatisfaction among the Chinese and in addition the Chinese had provided the British financial expert with a number of "false reports." The Japanese organ then referred to Leith-Ross' recent conference with Akira Ariyoshi, Japanese Ambassador, but declared that "the British attempt to render aid to China would fail and in the end would lead to a fundamental change in British policy toward this country."

As the British have permitted the Japanese newspapers "to do all the talking," the public has little actual knowledge of the real purpose or results achieved by the British financial mission. Generally it is believed that the British Government sent the Mission to China for the purpose of determining the exact position of British investments and business, following four years of Japanese military activities designed largely for the purpose of driving the Occidentals and their works out of Asia. Whether Lieth-Ross tried to reach a compromise with the Japanese for the protection of British investments in China, or, as some have alleged, tried to make an arrangement whereby future British loans would be guaranteed by the Japanese, or, sought Japanese cooperation in an international consortium loan, is not known. It seems logical to believe that the British Government sent him to the Far East in response to appeals from private British financial and commercial organs which are suffering from the devastating economic depression which now prevails in this part of the world. That British banks and business houses are in a precarious position is generally known; hence it is more than likely that the Leith-Ross Mission was primarily concerned in working out some scheme which would not only help British business but which would also help the Chinese Government to weather its most devastating economic crisis. That certain British industrial concerns were also planning to take advantage of the opportunity to obtain further concessions was indicated by the presence in China of another mission which was investigating railway concessions.

But, if the Japanese have succeeded, as they boast, in "blocking the British," one wonders just

how they hope to benefit themselves in consequence. Assuming that they have eliminated a competitor who previously had dominated Chinese fiscal economy for more than a half century, it is quite obvious that the Japanese are in no position to take over the responsibilities previously held by Britain. The strain of nearly five years of military activity on the continent has created a near-bankrupt condition of affairs in Japan; hence neither the Japanese government nor the bankers of Japan are in a position to assume financial responsibilities previously held by the British. The Japanese would like to become the financial brokers of the Far East, borrowing cheap money in London and New York and re-lending it to China under guarantees backed up by Japanese gunboats, but this situation never can eventuate so long as Japan stands as the world's most notorious violator of international treaties. Under the circumstances it is therefore difficult to see where Japan can hope to benefit from her present activities in the financial field any more than she has benefitted from her activities in the military sphere. Unless help is forthcoming from other sources a continuance of Japan's present activities can have no other result than the bankruptcy of China and if that is the final outcome, the Japanese will not be able to escape the results of their machinations.

China and the European Situation

BY THOMAS F. MILLARD

ON returning to China after more than sixteen months spent in Europe and the United States I learn that the uppermost question in the minds and on the lips of political observers is: "What effect will the existing and portending situation in Europe have on the fate of China?"

A widely accepted interpretation is that development of the Italian-Ethiopian embroglio, with its possibility of being the precursor of a general war in Europe, presages only ill for China because it will give Japan a free hand in pursuing the subjection of this country. From that premise a major conclusion ensues: that there is now no hope whatsoever of outside interference with and influence upon Japan's program and, consequently, the Chinese Government will be wise, indeed has no hopeful alternative than to make the best terms it can with the Japanese. Out of those premise and conclusion emerges now (perhaps aptly timed for the occasion) another "new" Japanese policy toward China in which Japan's domination of China is camouflaged once more, this time under the euphemism of "cooperation of China with Japan."

Few will deny the superficial obviousness of that view. But, while understanding that in the present state of the world almost anything may happen, I am impelled to dissent from it. Some elements of the previous premise undoubtedly are erroneous and conclusions founded on erroneous premises may turn out awry.

The assumption that the recently developed crisis in Europe gives Japan a free hand in China is inexact. Japan has had a free hand in China, practically speaking, since the Japanese took action in Manchuria in September, 1931, and for the same reasons why she seems to have a free hand now, namely, the preoccupation of the principal powers with a war cloud lowering over Europe. This cloud has not come up suddenly. It does not derive from the Italian-Ethiopian clash. It would have arisen and would ominously darken the political sky of Europe if Ethiopia did not exist. At Geneva three years ago while the China-Japan dispute was before the League of Nations there scarcely was a diplomat who did not say, "How can Europe meddle in this China-Japan affair with a war coming up here?", but they said it out of the corners of their mouths. Such a keen student of world politics as Frank Simonds predicted two years ago that war in Europe would not be delayed longer than five years from that time. Such forebodings had no thought of Ethiopia. Anyhow one did not hear Ethiopia mentioned then as a probable or a possible cause of war. It may be that one of the powers did have Ethiopia is mind in connection with the China-Japan case at Geneva. Italy's attitude then, while outwardly correct and circumspect, displayed reluctance to take strong action in reproving Japan. It is evident now that Italy was then meditating a similar adventure in Africa and did not want a precedent established which would embarrass her later.

At this point we may inspect the alleged terms of the proposed "cooperation" of China with Japan as those are revealed currently in the press before attempting later to analyze some of their consequences. As put to me by a Chinese, who tried to give the best possible face for China in the proceedings, the mooted formula is: China will resign herself to the loss of five provinces, will recognize "Manchukuo," and consent to limited "advice and assistance" from Japan; Japan will withdraw her troops to outside the Great Wall, will give up exterritoriality in China, and will restore the residential concessions now held by Japan in China. Apart from those specific terms China is to "show sincerity" in "cooperating" with Japan and shall refrain from anti-Japan propaganda. That includes, so press reports state, all forms of cooperation of China with other countries and governments, even criticism of Japan stated and implied in argumentative presentation of China's case before the League of Nations and in foreign countries.

Consider that. My Chinese friend, apparently, is naive enough to think that the Japanese will really make those concessions in exchange for China's recognition of "Manchukuo". But why should they? China's recognition of "Manchukuo" is not at all necessary to Japan's control of Manchuria, Jehol and Chahar; it cannot affect Japan's de facto regime there. Yet, con-

ceivably, Japan might *promise* all or some of those things in order to obtain China's recognition of "Manchukuo" at this juncture. (I presume that to use quotation marks in naming Japan's new empire amounts to lese majesty in this part of the world but I will stick to that form of expression while every nation on earth, with a single minor exception, does not recognize its existence.) Apparently, notwithstanding Japan's pretended, or maybe genuine, indifference about what other nations may think or do regarding China, she apparently does attach some importance to China's formal recognition. I gather that Chinese attach importance to the assumption that Japan may be willing to trade her concession areas in China and exterritorial status for recognition. As to those points Japan would be really giving nothing because when her policy completes itself she will have practical sovereignty in China and consequently will have no need of special residential concessions or exterritoriality. But because other powers that have been about ready to give up exterritoriality and residential areas are disposed now to cling to those privileges as affording some protection from Japan, not from the Chinese, Japan is able to make a gesture as a liberator of China.

Japan's motive in pressing China to recognize "Manchukuo" discloses when the general world situation is analyzed. The ominous trend in Europe was known to Tokyo when the Japanese occupied Manchuria in 1931. The Japanese military leaders and some Japanese diplomats were confident there would be no interference from Western Europe and almost as confident that the United States would do nothing. I think that Tokyo was surprised when the League took the matter so seriously, and probably were even more surprised when the United States registered a unilateral protest after the British, French and Italian governments, also signatories of the Washington treaties, declined to join. The reasons for that refusal of the British, French and Italian governments are outlined in the previous sketch. The stiff attitude of the United States upset Japan's calculations and eventually influenced her repulse at Geneva. Failure of the League, after having found Japan guilty of violating the Covenant, to apply sanctions to her, seemed to eliminate Europe from this issue and to narrow it down as between Japan and the United States openly (China always being excepted), with a profoundly interested Russia looking on. It seemed also to mark the end of the League as a real influence in world politics; in the years 1931 to 1935 the prestige of the League diminished almost to the vanishing point. Yet now it seems quite clear that Japan's haste to obtain China's recognition of "Manchukuo" is chiefly because of the League. Why?

That question requires a reexamination of the League itself from its organization to the present. I was at Geneva in the autumn of 1920, when the first sessions of the League were held; I was there at sessions in 1921 and 1922. In the fifteen years of the League's existence I have been at Geneva at times in nine of those years. To refresh my own impressions I have just been going over some of my reports made when the League was organized. In the time covered by the years 1919 to 1923 I had an advisory association with the Chinese Government and attended the Paris and Washington conferences and at Geneva. In an extensive report (published in my book "Conflict of Policies in Asia," 1924) dated January, 1921, entitled, "The League of Nations—Its Character Analyzed," I made this summary:

> "Of course it is not possible now to estimate with any accuracy the ultimate character and eventual accomplishments of the League of Nations, but its progress so far has indicated its motives and controlling influences sufficiently to permit some conclusions to be drawn. These are:
>
> (a) The League as now constituted is under almost absolute control of the so-called Principal Powers which framed the treaties of peace and the Convenant of the League themselves *without consulting the minor nations.*
>
> (b) This control is used by the Principal Powers to convert the League into an instrument to enforce the Treaty of Versailles and the other treaties, with only such modifications as the Powers themselves decide, and to enforce all other objects and policies of the Principal Powers.
>
> (c) With these objects the plan evidently is to close all means by which the minor nations can contradict or reverse the decisions of the Principal Powers.
>
> (d) In respect to important matters to be dealt with by the League, the first session of the Assembly indicated plainly that what it was allowed to act upon or to discuss was in conformance with agreements previously arrived at secretly by the Governments of the Principal Powers (at the Premiers' conference etc.) and were not the result of the free will of the Assembly openly reached by discussion among the members.
>
> THEREFORE, the League is now merely a camouflage for the old 'secret diplomacy'; and its functions will be, if the major powers can so dictate, to perpetuate secret diplomacy and the diplomatic hegemony of the so-called Principal Powers of Europe."

Let that summary stand while we skip to the year 1931. In a memorandum dated October 6 of that year, soon after the Japanese had occupied Manchuria (I was again acting in an advisory capacity with the Chinese Government) I wrote:

> "In many previous memoranda and reports this adviser has tried to impress that the League of Nations as now constituted cannot act effectively to defend China in the event of aggressive acts of neighboring powers. Nevertheless the League provides a good means of getting the attention of the world and of the governments of the principal powers to such aggressions. China's appeal to the League visavis Japan is good politics and has, so far, accomplished all that might reasonably be expected of it. The appeal should continue to be pressed strongly at Geneva."

The appeal was pressed strongly and with exceptional ability by China's representatives at Geneva. In the face of delays and dilatory tactics in which Japan had oblique help from governments of some of the principal powers at times, a sweeping verdict against Japan was obtained. whereupon Japan announced her withdrawal from the League. But when it came to the next step, the application of sanctions against a declared violator of the Covenant, the League baulked; or, rather, the principal powers decided they did not want it to go further. It

thus became evident that although the League possibly might work now and then in Europe its venue did not extend to the Far East.

By September 1934, when I was last at Geneva, most observers, including the diplomats, had come to see the League as entering the final stage of a slow death. Although the governments of the member principal powers continued their lip service to the League, hints that they could no longer found their foreign policies on the League concept began to come from the capitals. Unless something positive was done to revive it the League would remain nothing but an obviously false facade to world politics, or would perish. Then the Italian--Ethiopian issue came up. Here, in contrast with the remote Manchuria question, was a matter in which some of the principal European member powers were deeply interested. Once again the League's facade was set up, but this time with a distinct realization that some power must be put behind the facade or the League be cast aside altogether.

Events tracing the Italian-Ethiopian issue through the diplomatic labyrinth of Geneva, through the private rooms and backstairs negotiations and maneuvering at the principal capitals, are too freshly in mind to need repeating here. Faced with the issue of letting the League die, of openly abandoning it as a recognized instrument for their foreign policy, or of trying to resuscitate it, the British and French Governments decided on the latter course and rallied the lesser nations (a not difficult thing to do because the lesser nations have hopes and see value to themselves in the League) to the point where Italy was condemned as an aggressor state. So far the proceedure does not differ materially from the Manchuria case. But the Manchuria case had brought ridicule and contempt on the League. To stop at that point with Italy, as the League did with Japan, very likely would mark its end. So the League proceeded to sanctions against Italy and, while the exact character and extent, as well as the effectiveness, of the sanctions to be imposed are still known only in outline and prospect, there is reason to believe the League will now go on. If it does go on with sanctions and they should be effective in restraining or ending the African war, the League will be born again, and in its second incarnation it will probably have some "teeth". If the League emerges with some actual power it will still be, as I described it in 1921, an instrument of the prinicipal powers. That will be its strength.

Japan's interest in these developments now becomes apparent, as does China's interest also. To a point the Manchuria and Ethiopia cases are parallel. Both Japan and Italy have been tried and found guilty by the League of unwarranted aggression on a fellow member of the League and of violating the Covenant. Japan flouted the League and has "got away with it." So far Italy also flouted the League but has not yet gotten away it. If the League applies effective sanctions to Italy, might it not apply sanctions to its other pronounced criminal, Japan?

This raises some interesting questions, and if they were merely academic questions of League procedure they could be dismissed as of no consequence to the present situation in the Far East. But sanctions against Japan, even if not accompanied by naval and military action or dispositions, would be something else. Sanctions might seriously impede and hinder Japan's pressure on China by greatly adding to its costs, difficulties and risks.

The position of the United States visavis this congeries of issues deserves particular attention. In respect to the Italian-Ethiopian war the United States is neutral and probably will remain so. They will take no part in sanctions against Italy. In respect to the China-Japan issue the United States is *not neutral.* It is against Japan in the same sense and in a much greater degree as the League is now against Italy. When the China-Japan case was before the League (it is still before the League technically since it never has been finally disposed of) the American Government indicated its willingness to join with the League in invoking sanctions against Japan. So far as is known that position of the American Government has not changed.

I discovered some very interesting items buried in the news columns of Shanghai's papers last week that throw light on these matters. The most significant bit of news was hidden (whether purposely or from carelessness I cannot guess) among a number of dispatches relating to a current Manchuria border dispute, under a completely misleading heading, "America Working For Peace". That dispatch, dated at Washington October 14, and circulated by the usually dependable *United Press Associations*, had this to say: "Nevertheless, the clash (on the Manchuria border) sharply reminded officials and the public that the *strategic frontier of the United States lies toward Asia, where the fleet is at present concentrated, instead of in the Mediterreanean.*" Another dispatch dated Washington October 17 and from the same news agency dealt with the attitude of Washington to the latest "new" Japanese policy toward China. It said: "Officials declined to comment on the newest developments but they privately reaffirmed the fact that the United States is determined to obtain adherence to the Nine-Powers Pact. The Government's attitude is widely interpreted as aiming to avoid an issue with Japan until a more favorable time."

And a *Reuter's* dispatch of date October 18 refers to a report that M. Litvinoff at Geneva had inquired of the French and British governments how they would act in the event of Japan invading Russian territory. *Reuter's* dispatch said: "It is declared here that M. Litvinoff has made no representations to Mr. Eden concerning any possible invasion of Soviet territory in the future." Maybe so. However I have no doubt that M. Litvinoff is more concerned about that than he is about events in Africa, and it would be quite like him to say something like that to Mr. Eden, probably with the humorous quirk that

makes him popular with the pressmen wherever he may be, but neverthless with serious meaning. For the moment Japan's case is not before the League and such an inquiry, if made officially, is irrelevant.

From the previous category we may see that China's position can be gravely affected by moves now being considered at Geneva. China has asked that the League apply sanctions against Japan; she may renew this request at any time henceforth provided she does not stultify or negate her own case in the meantime. Japan cannot successfully plead that the League no longer has jurisdiction of the Manchuria case because Japan has withdrawn from the League. If that were a valid argument Italy could quash the Ethiopian issue by resigning from the League.

Recognition by China of "Manchukuo" will take some of the validity and perhaps all of the life out of China's case before the League. An exception might be filed, as Yuan Shih K'ai did in yielding to some of the Twenty-One Demands in 1915, when he notified the powers that China agreed under menace and duress. But, if we credit press and other reports, it appears that China's recognition of "Manchukuo" under the terms of Japan's concept of "cooperation" will be in the nature of a love-feast, with everyone happy and no protests from China whatever. Any protest or exception by the Chinese Government probably would be construed at Tokyo as a "lack of sincerity" on China's part.

Whether China under the pressure now undoubtedly being put on her gives recognition to the "Empire of Manchukuo," or not, I think that will make no difference in the policy of the United States in this part of the world. America's interest in the Far East is organic and is not likely to be affected, except transitory surface manfestations, by Japan's acts in China in the next few years, nor even by a big war in Europe. The same can be said of Russia. Sir E. Lindley, formerly British Ambassador to Japan, was quoted lately as having chided friends of China for encouraging her to resist Japan. The implications of the preceding argumentation may be put in that category by some. I present it nevertheless.

Shanghai, October 19, 1935.

War Secretary Dern Says United States Cannot Withdraw from Pacific

GEORGE H. Dern, U.S. Sceretary of War, arrived in Shanghai Oct. 21 on the *U.S.S. Chester*, a 10,000 ton treaty cruiser, on his way to the Philippine Islands, where he will attend the inauguration of the new Commonwealth next month. Accompanying Mr. Dern were his wife, his son James G., Capt. H. J. Abbott, commander of the *Chester*, Brigadier General Creed F. Cox, Colonel Campbell B. Hodges and Major Harry A. Bishop. An official party headed by Ambassador Nelson T. Johnson and including Consul-General Edwin S. Cunningham, Colonel Beaumont of the Fourth Marines, Yui Ming, representing Mayor Wu Te-chen, and others, boarded a naval launch supplied by the U.S.S. *Tulsa* and proceeded aboard the *Chester* to welcome the War Secretary and his party.

In interviews both in Shanghai, and in Japan, the U. S. War Secretary made one thing clear: America's responsibility in guaranteeing protection to the Philippine Islands during the ten-year period of tutelage precluded any withdrawal of the United States from the Western Pacific. Mr. Dern in interviews here denied any discussion with Japanese military leaders on the subject of guaranteeing the neutrality of the Philippine Islands in the event of war in the Pacific. He also denied any discussion pertaining to the forthcoming Naval Conference or any other issues affecting the Far East. Mr. Dern and his party was scheduled to sail from Shanghai for Hongkong Oct. 25, where a stop-over will be made for two days so as to enable a trip to be made to Canton.

Reciprocal Foreign Trade as Basis for Friendship

Mr. Dern spoke at the tiffin meeting arranged in his honor by the Pan-Pacific Association at the Astor House Oct. 22. Dr. C. T. Wang, former Minister of Foreign Affairs, introduced the speaker. In his speech Mr. Dern he said that the friendly relationship of countries fronting on the Pacific Ocean depended to a great extent on the maintainance of reciprocal foreign trade. "We must all realize that we can not build ourselves up by tearing others down. While foreign trade is reciprocal there is all good feeling. If competitive conditions arise it sometimes becomes as disastrous as a war could be," he said. He also said that "All peoples here should be interested in developing reciprocal foreign trade." He mentioned that this reciprocal trade was the policy of the United States.

In connection with the inauguration of the Philippine Commonwealth Mr. Dern said that the promise of his government to free the Philippines was a promise made in good faith that was being kept. He pointed out however that the ten year transition period seemed to be necessary for various reasons. First among these he said was that the United States felt a moral responsibility for the debts of the Philippines and did not want to leave that country wholly alone until the slate was clean, financially speaking.

The second reason he gave was that of the violent economic re-adjustment which the Philippines must face.

On the morning of Oct. 22 Secretary Dern reviewed the U.S. Fourth Marines at the Race Course in company with Col. John C. Beaumont, commanding officer. After the review Mr. Dern visited the American school, where he addressed the students briefly.

Mr. Dern and party proceeded to Nanking Oct. 22, where he called on Wang Ching-wei and other government officials. Mr. Wang gave a dinner in honor of the War Secretary's party in the evening. Returning to Shanghai the following day, Mr. Dern and party were entertained at dinner by Mayor Wu Teh-chen.

The Fourth Marines entertained at a cocktail party, and Consul General Cunningham entertained at a dinner in the evening of Oct. 22 in honor of the Dern party.

Declines Comment on Japanese-American Relations

Pointing out that America's foreign relations are in charge of the State Department, Secretary Dern, in an interview with a representative of the *Japan Advertiser* at the American Embassy, declined to comment on Japanese-American relations. "People talk about serious problems existing between the United States and Japan," Mr. Dern said, however, "I would like to know what the problems are. It seems to me the two nations are on friendly terms.

"There is nothing more attached to Philippine independence than the fact that the United States promised it to them and that now the promise is going to be carried out. But the Philippines are not going to be independent right away. With the establishment of the Commonwealth Government the Filipinos are given ten years in order to adjust their country gradually to the point where they can conduct their affairs properly. Ten years has been set for the period of transition, because Congress believed that to be sufficient."

Aguinaldo Wants Japan-Filipino Trade Regulated

Co-operation between Japanese and Filipino business men to regulate the flow of trade between their two countries was urged upon members of the Tokyo Chamber of Commerce and Industry by Senor Aguinaldo, who stopped over in Japan last week on his way back to the Islands from the United States. Remarking that the total foreign trade of the Philippines during last year amounted to 388,021,000 pesos, of which Japan's share was 29,216,000 pesos, Senor Aguinaldo, who is the president of the Filipino Chamber of Commerce, declared that it was essential for the welfare of the Islands that their trade be balanced. This was particularly needed in view of the impending independence of the Philippines, he added.

Sugar and Coconut Production Drops in Philippines

Business in the Philippine Islands during the first six months of 1935 declined considerably from the corresponding period of 1934, the U. S. Department of Commerce reported Oct. 18. The chief loss in production was in sugar. Some decline was also recorded in coconut products, while hemp production showed a slight increase.

Roy Howard Stops Over in Shanghai on Way to Manila Inauguration

Roy Howard, president of the New York *World Telegram*, the Scripps Howard papers, and the United Press, arrived in Shanghai Oct. 21 on his way to Manila to attend the inauguration of the new government that will take place on November 15. He is remaining here for about a week.

Mr. Howard stated in an interview that he was not making a business trip but was travelling entirely for pleasure. He jocularly added that the only serious part of his trip around the world was to visit Manila during the inauguration in accordance with a promise made to the President-Elect. Five years ago, he said, he promised Mr. Quezon that if the latter were ever elected president and if the Philippines were allowed to have a government of their own, Mr. Howard would personally come to Manila to see him inaugurated as the first president. Granted economic independence as well as political independence, the Philippines stand a fighting chance to make a go of their new government, Mr. Howard said. But if they were not allowed to run their country in their own way they would inevitably fail.

Many Newspapermen in Vice-President's Party

Accompanying Vice-President Garner's party due here Nov. 2 on the s.s. *President Grant* enroute to the Philippines are the following newspapermen: Clark Howell, publisher of the *Atlanta Constitution*; Mr. and Mrs. Sevellon Brown and daughter, of the *Providence* (R. I.) *Journal;* Frederick Nelson of the *Baltimore Sun;* William Phillips Simms, foreign editor of Scripps-Howard chain; Mr. and Mrs. Arthur Hachten of Washington bureau of Universal News Service; Mr. and Mrs. William Allen White of the *Emporia Gazette*; Mr. and Mrs. Edward Canham of the *Christion Science Monitor*; Sterling Fisher of the *New York Times;* Marlen Pew of *Editor & Publisher;* George W. Hawkins of the *St. Louis Star-Times;* Dean and Mrs. Carl W. Ackerman, of the Columbia University journalism school; Donald Sterling of the *Portland* (Ore.) *Journal*; Mr. and Mrs. Jack Howard of the *Washington News*; Ben McKelway of the *Washington Star;* Mr. and Mrs. Burrows Mathews of the *Buffalo Courier-Express*; Mr. and Mrs. J. R. Knowland of the *Oakland* (Cal.) *Tribune*; Chesley Manly of the *Chicago Tribune*; Mr. and Mrs. Walter Karig of the *Newark Evening News*; Gene Huse of the *Norfolk* (Neb.) *Daily News*; and Mark Foote, president of the National Press Club.

Shriners Visit Shanghai on Way to Manila

A party of 46 Shriners, headed by Dr. Howard M. McKinley, Acting Potentate of Islam Temple, San Francisco, arrived in Shanghai from Peiping by the Blue Express Oct. 20, enroute to the Philippines. The party was welcomed by local Shriners of the Nomad Oasis. A ladies' reception committee of 16 greeted the wives of the visiting Shriners. Tiffin for the visiting Shriners was served at the American Club at a party organized by the Nomad Oasis. Simultaneously, the visiting Shriners' wives were entertained with a Chinese tiffin at the Sun Yah Restaurant by the wives of local Shriners. The Shriners proceeded from here to the Philippines by the s. s. *President Hoover* Oct. 22.

Gen. MacArthur Does Not Go Ashore Either in China or Japan

General Douglas MacArthur, who commanded the famous 42nd, better known as the Rainbow Division, during the World War, passed through Shanghai this week on his way to the Philippines where he will have charge of defences for the next ten years. Gen MacArthur is accompained by his 86-year old mother. He did not come ashore either in Japan or in China.

France and Britain Reject Italian Proposals for Settlement of Ethiopian Dispute

ALTHOUGH there has been a lull in the actual military operations in Ethiopia during the part week Italy continues to send large batches of troops to North East Africa. A total of 16,000 men sailed from Italy during the week-end, and these were to be followed by 20 more ship loads. While the Italian war moves have so far been generally successful, Mussolini's Government is experiencing very considerable financial and economic difficulties. According to Treasury returns issued in Rome Oct. 21 the three months before the beginning of operations alone cost the Italian Government the equivalent of more than a hundred million American dollars. In the meantime the effect of the economic sanctions to be imposed by the League and the export and financial restrictions imposed by the United States are more and more having their effect on Italy. One of the minor blows which Mussolini's Government experienced was that the British Government has refused Italian ships permission to stay more than 24 hours in ports under British jurisdiction. Sir Samuel Hoare, British Foreign Secretary in a speech in the House of Commons Oct. 22 repudiated suggestions that Great Britain was attempting to use the League of Nations for selfish ends for the humiliation of Italy. He added, however, that Great Britain had not intended to act alone from the beginning of the deliberations at Geneva. There had been no discussion of military sanctions and no such measures, therefore, formed any part of the British policy, he said.

It was reported from Rome Oct. 21 that Italy would second a conciliation scheme originating in Parts and based on the September proposals of Captain Anthony Eden, British Minister without Portfolio in charge of League of Nations affairs. The Italian thesis in regard to a distinction between Ethiopia proper and the border provinces under Ethiopian rule would have to be adopted. The Italians further expressed the feeling that a settlement of the whole Ethiopian problem could easily be reached if the problem could be treated outside the sphere of European considerations.

The Governments of France and Great Britain the following day announced that they had rejected as unsatisfactory the minimum terms for settlement of the Italo-Abyssinian conflict, set forth by Italy in the course of the diplomatic conversations conducted between Paris, London, and Rome. However semi-official British quarters affirmed that Signor Mussolini would probably take the French and British objections into consideration and would make fresh proposals

shortly. These quarters expressed the opinion that the negotiations would be of a rather prolonged nature and that a settlement could hardly be expected before the end of this year.

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Japan Asks Re-distribution of World's Natural Resources

JAPAN'S position on the re-distribution of the world's natural resources was stated in the Japanese reply to the recent British naval suggestions, a spokesman of the Foreign Office stated in Tokyo, Oct. 21. When reporters asked why the subject of natural resources had been incorporated into a note on naval matters, the spokesman said that the principal object of a naval conference was to promote and ensure peace, and also to remove the causes of conflicts. Therefore, he said, actual needs of the various nations should be considered in arriving at any naval agreement.

The spokesman said that many statesmen, including Sir Samuel Hoare, the British Foreign Secretary, and Col. Edward M. House, the American war-time liaison agent, were considering the question of the relationship between natural resources and military and naval requirements. He added that since Japan's reply had already been dispatched to Britain, it was impossible to reveal the contents of the note, but said that British officials night reveal the reply later.

The spokesman avoided answering the question put by a British correspondent, who asked, "Do you think that in the event the British Empire re-distributed the world's resources, Britain would require a smaller navy?"

An informal notification of Great Britain's desire to convoke a naval disarmament conference on December 2 was conveyed Oct. 21 by R. L. Craigie, Counsellor of the British Foreign Office, to Keinosuke Fujii, Japanese Charge d'Affaires in London. The communication explained that the conference is being called in conformance with the terms of the Washington and London Treaties, with the participation of the United States, Great Britain, France, Italy and Japan. Similar notifications have also been made to the United States, France and Italy.

Japan Reiterates Desire for Thoroughgoing Naval Disarmament

Japan's reply to Great Britain's invitation to take part in a naval disarmament conference before the end of this year was cabled by the Gaimusho to K. Fujii, Charge d'Affaires in London Oct. 15, for transmission to Whitehall. It is learned that Japan reiterated her desire for a thorough-going naval disarmament, by creating a situation permitting of no menace or aggression. The statement is reported to have stressed Japan's desire for a fair and equitable agreement on naval disarmament among the powers of the world through free and frank exchange of views.

China Carefully Studies Sanctions Against Italy

A meeting of the full Co-ordinating Committee of 52 members at Geneva Oct. 19 decided to impose an almost world-wide boycott on Italian goods. Among the steps taken by the meeting were: 1.—Adoption of the proposal of Anthony Eden, the British delegate, for a boycott of Italian exports. 2.—Unanimous approval of proposals concerning the organization of a mutual support committee. 3.—Approval of a proposal regarding an embargo on certain exports to Italy, a list of which was adopted.

China is making a detailed study of the proposal of the League Coordination Committee for economic sanctions against Italy, the full text of which was officially forwarded to the Ministry of Foreign Affairs Oct. 19. China, it is pointed out, will have to carefully consider the procedure as well as the scope of these proposals in view of the fact that while on the one hand China is bound by League membership to carry out her obligations, she is on the other hand subject to special circumstances which would influence her decisions.

Interviewed in London Oct. 18, on his return from Geneva, Quo Tai-chi, said there were grave fears in Geneva that the imposition of sanctions against Italy might lead to war. He drew a contrast between the condemnation of Italy and events four years ago in respect of Manchuria. He thought that the condonation of Japan directly encouraged Signor Mussolini. Nevertheless, the Chinese Anbassador continued, all Chinese hoped that sanctions would be made effective, because in them lay the only hope for the survival of the League. He echoed the view that sanctions might result in the downfall of Signor Mussolini, and consequent chaos in Italy, with a possible outbreak of communism throughout the country.

Italy Mobilizes 1915 Class—1,200,000 Men Not Enough

Although Italy has already 1,200,000 men under arms, it was decided on Oct. 20 to call more men to the colors. While men of the 1911 to 1914 classes who have hitherto been exempted from their full term of service have been recalled for service, orders have been given for the mobilization of the 1915 class. It has been decided that the 1911, 1913 and 1914 classes will continue to be retained indefinitely. All divisions are now on a war footing. The foregoing steps are regarded by the semi-official *Giornale d'Italia* as a reply to General Weygand's "incredible" statement that Italy's strength has been so reduced by the Ethiopian campaign that she cannot henceforth be regarded as a military power. Of Italy's men under arms, only 200,000 are in the Colonies.

Japan Insurance Companies Halve War Risk Rates

Reflecting the progress towards a pacific settlement of the Italo-Ethiopian controversy, Japanese marine insurance companies Oct 21 almost halved their rates on cargoes shipped to the affected areas. Cargoes shipped in Japanese bottoms will now pay 20 sen per Yen 100, while goods in foreign ships will pay 25 sen, the Federation of Insurance Corporations decided. The new rates are applicable to goods destined to European ports, travelling via Suez, the Mediterranean and the Black Seas.

President Roosevelt Inspects Panama Defenses

President Roosevelt, aboard the U. S. S. *Houston*, Oct. 16 inspected the American defense facilities at the Panama Canal. The President also reviewed the American troops stationed there.

America Plans to Build Battleship After Jan. 1, 1937

Plans are under way to build the first American battleship since 1923. In addition to the battleship, the U. S. Naval plans call for the construction of twelve destroyers, and six submarines, in the 1936 fiscal year. Construction of the battleship will be delayed, it is understood, until after January 1, 1937, when the London naval treaty expires.

America Sells Much War Material to Italy

Just four times as much cotton, iron and steel, copper, benzol, and toluol have been exported from the United States to Italy during the first six months of 1935 as were exported to the same country during the same period last year. Experts of the U.S. Department of Commerce stated that all of the materials listed go to the manufacture of war materials.

Maxim Litvinoff, the Soviet Foreign Commissar, said that while the Soviet had a favorable trade balance with Italy, they were prepared to sustain losses to fulfill their obligations only so long as these obligations were observed by all members. If exceptions rendered sanctions ineffective, he added, the Soviet would have to reconsider the whole position and take a fresh decision.

Japanese Consider U.S. Banking Restrictions of Little Importance

A list of measures taken by the United States Government in regard to the Italo-Ethiopian conflct was given in a report received in Tokyo Oct. 21 by the Foreign Office from Mr. Hirosi Saito, Japanese Ambassador to Washington. On Oct. 9, the report said, the U.S. Department of Commerce announced that the Dollar Steamship Line had cancelled calls at Italian ports and the Ford Company had instructed its dealers not to export automobiles and motor trucks to the war zone. Members of the Federal Reserve System had been instructed to furnish detailed statements on transactions with Italian and Ethiopian Banks. The New York Banks have been co-operating with English Banks since July in withholding loans from Italy and Ethiopia, the report said.

The report, however, pointed out that the banking restrictions were of little importance, as under the terms of the Johnson Act no bank could at any rate make loans to either of the two countries. In view of this, Mr. Saito reported, American measures could not be regarded as a proof of American co-operation with the League of Nations.

Honor Sought for General Who Distinguished Himself in Franco-Chinese War

A decision was reached at a meeting of the Executive Yuan Oct. 15 to petition the National Government to issue a Mandate eulogizing the meritorious deeds of General Ting Kuei, who won distinction by defeating the French forces at the battle of Langsan, on the border of French Indo-China, during the Franco-Chinese War of 1885. General Ting died in Peiping on June 24 this year at the ripe age of 97.

Japan Promises to Respect Supervision of League Over Mandated Islands

A Geneva message of Oct. 18 stated that an agreement regarding Japan's mandate over the Pacific Islands is probable on the following basis:—

Japan's complete equality will be recognized under bilateral agreements; in view of the necessity of legalizing the present situation, Japan will conclude special trade accords wherever these have not yet been concluded; and Japan acknowledges and promises to respect the supervision of the League of Nations over territories for which she holds mandates.

Japanese Army Asks Two Hundred Million Yen for "Pacification" Work in Manchuria

JAPAN'S annual administrative "free for all" for government appropriations commenced Oct. 22 when Mr. Takahashi, Minister of Finance, reported to the Cabinet on the 1936-37 budget. Mr. Takahashi asserted that the practice of covering deficits by the issuing of Government "red ink" bonds should be gradually but steadily reduced. The yearly recurring spectacle of ministries opposing the economizing tendencies of the Exchequer is intensified this year. From the total of Yen 2,800,000,000, a new record even for Nippon's rapidly-swelling yearly expenditures, the estimates of the various ministries have been pared down to Yen 2,160,000,000. This reduction was effected by dropping a majority of what were referred to as "new projects" with the result that the sum to be devoted to these projected enterprises has dwindled from Yen 1,100,000,000 to Yen 500,000,000. Ordinary expenses of certain ministries were also cut.

The largest sufferers from the slashes by the guardians of the impoverished treasury, were the Ministries of Home Affairs and of Agriculture and Forestry. Sacrificed to the demands of national defence were several items for the relief of stricken farmers and subsidies for industrial rehabilitation. This has aroused the two civilian ministries, which assert that their projects were of a productive nature inasmuch as they would have relieved human suffering and placed agricultural districts back on their feet.

The Army is particularly anxious to secure Yen 200,000,000 for "Manchurian Affair" expenditures. This sum is held by its experts to be the absolute minimum to continue the present "pacification" work in the new Empire.

Reservists Satisfied With "Polity" Statement

Apparently satisfied with the Government's declaration of Oct. 15 on "national polity," the Army Reservists' Association Oct. 22 called off a national and a regional conferences scheduled for that date.

Heads of the Association's branches throughout the country unanimously adopted the following resolution, reportedly drafted by Gen. Suzuki, President of the organization:

> "We note that the Government's declaration generally conformed to a resolution recently adopted by the Association. We shall, however, continue to maintain a watch over the Government's actions in the matter. We shall rely on the War Minister to achieve a complete settlement of the issue."

In demanding that the Government issue its last declaration, Gen. Yoshiuki Kawashima, War Minister, stressed the strong attitude taken on the matter by the Association.

Kodama, Takahashi Clash On Island Development Plan

Officials of the Ministries of Overseas and of Finance are at odds over how to deal with the sum of Yen 3,600,000 in sugar export levies collectible in the South Seas Islands under Japanese mandate. The Overseas Affairs Ministry wants to keep the sum and use it to put into a effect a Yen 30,000,000 plan for the development of the islands. The project, which will extend over 10 years, provides for an annual expenditure of Yen 3,000,000. Officials of the Exchequer insist that, in view of the stringent situation of Japan's national finances, that sum should be turned over to them for inclusion in the Ordinary Account of next year's budget.

Soviet-Japan Oil Firm Organized

The Soviet-Japan Petroleum Company, capitalized at Yen 1,700,000, fully paid up, was formed Oct. 15 at an inaugural meeting at the Matsukata Nisso Oil Company in Tokyo. Kojiro Matsukata, whose firm has been engaged hitherto in the sale of Soviet oil in Japan, was elected the chairman of the board of directors and managing director of the new concern.

Peer Exiled for Wedding Newspaper Woman

Viscount Kanenori Honjo, Japanese aviator now en route to Paris, had been compelled to leave Japan forever because the Ministry of the Imperial Household had objected to his recent marriage to a French newspaperwoman without the Household's consent. The Viscount was a student at a Chicago mechanical school in 1925. Viscount Honjo left Japan last week with his French wife for France, where he seeks a permanent home.

Egypt Prolongs Japan Trade Pact

The prolongation of the Japan-Egyptian Provisional Trade Agreement for a month, until Nov. 17, by the Cairo Government was reported to the Foreign Office Oct. 17 by Tokuji Amagai, Japanese Consul-General in Alexandria.

Foreign Minister Hirota Advanced in Court Rank

Koki Hirota, Minister for Foreign Affairs, was among the 570 peers, military and naval officers and officials who were advanced in court rank Oct 22. Mr. Hirota was promoted to Third Class, senior grade, while Tamekichi Ohta, Japanese Ambassador to the U.S.S.R. now ranks Third Class, junior grade.

Ford Adopts Passive Attitude Towards Automobile Industry Bill

Benjamin Kopf, general manager for the Far East of the American Ford Automobile Company, called on Mr. Yoshino, Vice-Minister of Commerce and Industry, at the Commerce and Industry Ministry Oct. 15 and sought the latter's explanation of the Government's automobile industry bill to be submitted to the Diet at the coming session, at the same time conveying the intentions of the Ford Company regarding the control bill.

Mr. Kopf said that the Ford Company had no intention of transferring more than half of the capital of the Japan Ford Company, its enterprise in Japan, to the Japanese in order to receive the protection provided in the bill and that in moving to its new site at Tsurumi which had already been purchased the Japan Ford Company will simply retain the equipment and capacity it held in August.

The attitude of the Ford Company regarding the automobile industry will be a passive one, merely taking cognizance of the explanation of the authorities.

Tokyo Engineers to Tour China, But Round-Table Conferences Dropped

Twenty-six outstanding Japanese engineering experts departed from Tokyo, Oct. 22 for a series of lectures in Shanghai, Nanking, Tientsin and Peiping. According to original plans, Sino-Japanese round-table conferences were to be held in various Chinese cities, but the scheme was abandoned when little interest was shown in the project in China.

The Shanghai lectures will be held under the auspices of the Shanghai Science Institute from October 25 to 28. Members of the party will visit Nanking on the following day. In Tientsin, they will stay from November 1 to 3 and in Peiping from Nov. 3 to 4.

On their way back, they will call at Dairen for a three-day stay, arriving in Mukden on Nov. 13, whence they will proceed to Seoul en route to Fusan where an All-Chosen Industrial Conference will open on Nov. 17.

British Member of Parliament Studies Industrial Conditions in Japan

E. H. Pickering, Liberal member of the British Parliament and chairman of the Anglo-Japanese Relations Committee, in a recent speech looking towards a re-election said that he had recently visited Japan and had taken up an appointment for six months as Professor of English Literature at Tokyo Imperial University in order to study industrial conditions in Japan. He added that Great Britain has vital interests in the Far East, and the City of Leicester, which he represents, is vitally interested in Japanese competition. Since returning from Japan Mr. Pickering has been outspoken concerning Japanese competition.

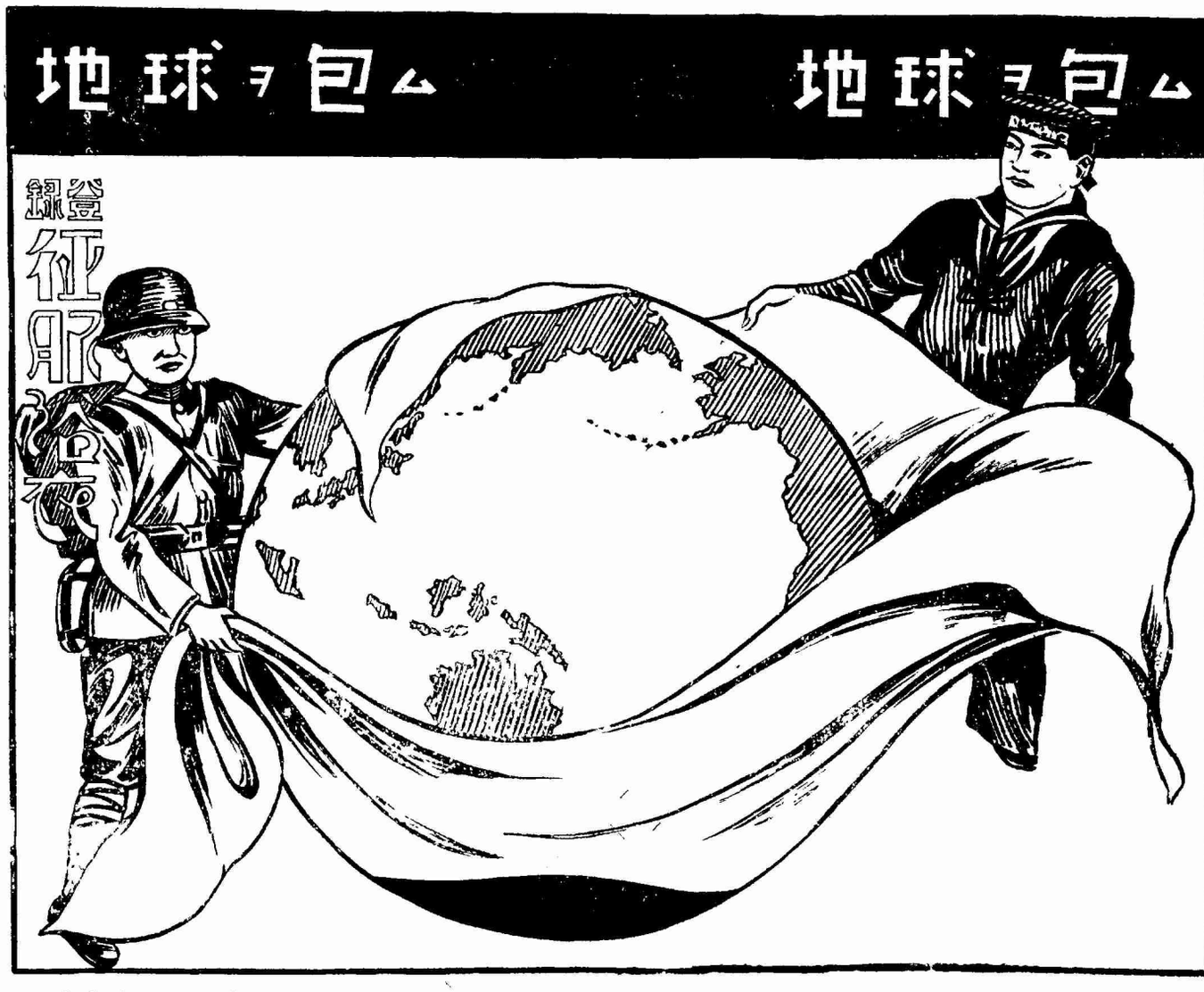
Japanese Trade Bodies Invited to Attend Honolulu Talks

Japanese trade bodies have been invited to the joint conference of delegates from Chambers of Commerce on the western coast of the United States, Mexico and Canada and the Pacific Trade Council which will open in Honolulu for three days beginning Nov. 27. Trade problems on the Pacific will be discussed at the meeting.

Kailan Coal Mines Suffer from Business Depression

On September 18, a formal denial was made by the management of the Kailan Coal Mining Administration of the rumor that the coal mines would be transferred to the South Manchuria Railway. However, the Shanghai *Nichi Nichi* comments that it is indisputable that the business of the coal administration is growing worse. In 1934, the total amount of products sold by the five mines belonging to the administration was only 5,000,000 tons, or only 70 per cent of that in 1933. No improvement in the turnover and the production of the mines has been seen this year.

JAPAN ILLUSTRATES HER OWN AMBITIONS



A foreigner recently went to a Japanese store in Kobe to buy a kimono. The parcel was wrapped up, but imagine his surprise when he found, upon unwrapping it, the above reproduced cardboard wrapper. The Japanese characters on top state: "The Japanese flag will envelop the world" while the characters on the left side state "Registered trade mark: Conqueror Swimming Suits." Apparently the wrapper was meant for domestic consumption,—at any rate it shows the length to which Japanese jingoists are spreading their "world domination" ideas to their citizens.

Teaching World Domination

If anyone has any doubts about the "world domination" ideas of Japan's militarists, the propaganda used to influence her own citizens toward this grandiose end is best illustrated by the drawings used on everyday articles for sale in Japanese stores.

The drawing reproduced above was brought to Shanghai by a foreign traveler who found it wrapped around a kimono he purchased in Kobe. It depicts a Japanese soldier and a Japanese sailor placing a Japanese flag around the globe. The symbolism is too apparent to be explained and the drawing is a most graphic illustration—by Japan's own artists and propagandists—of her desires. A better illustration of the Tanaka document could not be found anywhere.

Such drawings, despite reports to the contrary that they have disappeared of late, are found everywhere in present-day Japan. Coupled with militaristic displays in department stores, schools, and other public places, they serve to inform the Japanese citizenry-at-large in the most simple symbolism what is behind Japan's civilizing "mission." Perhaps in no other nation in the world is such blatant propaganda in style.

Japanese militarists and other officials who become incensed when Occidental newspapers and magazines publish cartoons depicting the Japanese Emperor in unfavorable light, fail to recognize that publicity such as the foregoing is just as offensive to foreigners and that every tourist who carries away one of these circulars becomes a center for spreading anti-Japanese sentiment wherever he may live.—*B.U.P.*

Japanese Silk Prices Rise Rapidly

Reflecting high autumn cocoon quotations, prices of silk for November, December and January delivery in the Tokyo market this week exceeded the Yen 1,000 mark, while spot dealings ranged between Yen 990 and Yen 1,000. This is believed to be the highest price this year's crop will fetch, inasmuch as, at Yen 1,000, the traders make a handsome profit despite the high cost of cocoons.

Italy to Sell Entire Silk Stocks Abroad, Thus Causing Slump in Price

A catastrophic decline in the world price of raw silk and silk textiles is feared by the Tokyo dealers as the result of the reported intention of the Italian Government to sell the nation's entire stocks of the commodity in the open market to raise funds for the African hostilities. A Royal emergency decree was issued in Rome on Oct. 18 for the sale of all silk in foreign markets before the end of this year. The stocks remaining unsold will be purchased by the Government on Jan. 1, 1936, at a price ten per cent below the Yokohama and New York quotations. The Rome decree reportedly pointed out that in the present hour of crisis no Italian should permit himself the luxury of silk goods.

Italian Silk "Dumping" Not to Affect Japan

Italy's reported decision to "dump" the nation's entire silk stocks abroad will not affect Japanese exports of the commodity, a spokesman for the Ministry of Agriculture and Forestry stated in Tokyo Oct 22.

Okamura Sees Little Hope for Sino-Japanese Amity; Wang and Sung Deny New Japanese Demands

HIGH LIGHTS IN THE EVENTS OF THE WEEK

1. **Japanese Army, Navy and Diplomatic Officials Agree on Unity of Action.**
2. **Shanghai "Nippo" Believes Chiang-Wang Administration Will Continue.**
3. **Wang Ching-wei and Sung Cheh-Yuan Deny New Japanese Demands.**
4. **Chiang Tso-pin Reported Instructed to Accept Japanese Demands.**
5. **Fukien Chairman Goes to Formosa on Official Visit.**
6. **Large Rewards Offered for Capture of Communist Leaders.**
7. **Relations Between Nanking and Canton Said Again Strained.**
8. **General and Madame Chiang Kai-shek Visit Home City.**

Sino-Japanese relations cannot improve unless China "awakens." This was the opinion voiced by Major-General Y. Okamura, chief of the Second Department of the Japanese Army General Staff, in an interview Oct. 9, with Japanese reporters following his arrival at Shanghai from Nanking. "I do not believe that Sino-Japanese relations can be improved under present conditions," he said. "However, the Japanese Government has always had a definite policy towards China and that is to seek the awakening of the nation."

Major-Gen. Okamura denied that there was a new Japanese policy towards China. "Japan's China policy has always been the same. If we had not decided on this a long time ago, there would be no Japan to-day. And I think we should have deserved destruction for such a lack of foresight."

Referring to the recent conferences among the officials of the Ministries of War, Navy, Foreign Affairs and Finance, which led to the conclusion of an inter-Ministerial accord on China, Major-Gen. Okamura declared that their importance had been grossly over-rated.

"It was all the fault of a few petty officials of a certain Ministry, who apparently dissatisfied with their lack of importance, made appear their activity as something really worthwhile," he remarked. He refused to state to which Ministry he was referring.

As to the Dairen conference Major-Gen. Okumara dismissed it as a "simple class reunion."

"It so happens that all graduated from the military academy at the same time. We wanted to have a drink together and we did," he said.

Japan had recognized the Nanking administration as the Central Government of China, and will in the future continue to deal exclusively with it in national affairs. Maj.-Gen. Okamura told Japanese reporters in Shanghai Oct. 21. There was a pressing need for the appointment of officials in north China, who could negotiate on various matters without constantly seeking instructions from Nanking Maj.-Gen. Okamura said. The Japanese officer recalled that much delay attended the enforcement of the Tangku Peace Agreement, as the Chinese referred all minor details to Nanking for confirmation. He said that he had not seen any Chinese officials during his present visit because he thought it of little use in view of the "current features of Chinese Government."

Japan cannot but hope that China would soon establish a stable authority in north China, permitting the Japanese officials to negotiate smoothly on various local issues. Japan, Maj.-Gen. Okamura concluded, will never pay the least attention to Chinese politicians and militarists who hold no official posts.

JAPANESE ARMY, NAVY AND DIPLOMATIC OFFICIALS AGREE ON UNITY OF ACTION

Uniformity of action among the Japanese War, Navy and Foreign Ministries in upholding a fixed China policy was the central theme of conferences of Japanese military, naval and diplomatic and consular officials in session in Shanghai during the week-end last week, according to *China Press* Oct. 21.

The conferences were held separately. The meeting of Japanese consular officials convened on the occasion of the visit to Shanghai of Goro Morishima, chief of the First Section of the Tokyo Foreign Office Bureau of Oriental Affairs, began at the local Japanese Embassy Oct. 19 and was concluded on the 20th. The parleys of Japanese military naval officers were held during the 20th and was continued on the 21st with Major-General Yasuji Okamura, and Captain Tadao Honda, chief of the China Section of Naval General Staff as the central figures respectively.

The separate conferences, however, were bound by a unity of mission carried by Mr. Morishima, Major-General Okamura, and Captain Honda, representing the Japanese Foreign, War and Naval Ministries. At the parleys, they had the identic mission of conveying to the officials in the China field of the ministries they represent respectively the new Chinese policy recently agreed upon by the three ministries at Tokyo.

The meeting of Japanese army officers was attended by: Major-General Yasuji Okamura, Major-General Isogai, Lieut.-Col. Tan Takahashi, assistant military attache in Peiping; Majors Jori Ichida and Yoshie Ohki, assistants to Major-General Isogai; Major Sen Amemiya, resident officer in Nanking; Major Yoshio Ishino, resident officer in Tsinan; Major Kunitaro Kawamoto, aide-de-camp to Major-General Okamura; Major Matsutaro Nakai, from the Tientsin Headquarters of the Japanese Forces in North China; Major Sakon Watari, resident officer in Hankow; Major Kanzo, Usuda, resident officer in Canton and Lieut.-Col. Takeshi Hattori, staff officer of the Formosan Garrison.

The naval conference was held aboard the Cruiser Iwate, flagship of Vice-Admiral Gengo Hyakutake, commander of the Third Japanese Fleet, with 12 Japanese naval officers from different stations in China in attendance. They were: Vice-Admiral Hyakutake; Rear-Admiral Asami Sato, naval attache; Rear-Admiral Masasuke Shimomura, commander of the Fifth Torpedo Boat Flotilla; Rear-Admiral Teijiro Sugisaka; Commander Mitsuru Nagai, resident officer in Hankow; Commander Toyoo Kitaura, resident officer in Nanking; Commander Tatsuhei Nakahara, resident officer in Canton; Captain Hikoji Suga, resident officer in Foochow; Rear-Admiral Sadaki Araki, Commander of the Special Naval Landing Party, Shanghai; Commander Tsuguo Okino and Commander Kenjyo Minato, assistants to Rear-Admiral Sato.

Mr. Morishima left Shanghai aboard the *Tsingtao Maru* at 8 a.m. Oct. 22 for Tientsin to convene a meeting of Japanese consular officials from various points in North China on October 25. Major-General Yasuji Okamura, accompanied by Major Kanozo Usuda, and Tatsuo Kawai, Consul-General in Canton left for Canton on an investigation tour by boat, while Captain Tadao Honda left for Formosa the same day.

A spokesman of the local Japanese Embassy in an interview given Chinese press representatives Oct. 22 denied the report current in Chinese circles that Ambassador Ariyoshi had cabled to Wang Ching-wei, President of the Executive Yuan and concurrently Foreign Minister, to make an appointment for a meeting in Nanking.

NIPPO BELIEVES CHIANG-WANG ADMINISTRATION WILL CONTINUE

Establishment of a "100-year policy" for China on the occasion of the forthcoming Sixth Plenary Session of the Central Executive Committee and of the Fifth National

Congress of Kuomintang Delegates was urged upon General Chiang Kai-shek and Wang Ching-wei by the *Shanghai Nippo* in an editorial Oct. 21.

"If these two gentlemen have a sense of responsibility as leaders of their nation and have a breadth of vision sufficient to take into account world conditions, we believe it will not be hard for them to put such a plan into effect." the journal remakred.

The paper cited four reasons for its belief that both gatherings would take place without much commotion and the Chiang-Wang regime would continue. If the C. E. C. session endorses the Chiang-Wang Administration, the *Nippo* predicted, the Fifth Kuomintang Congress will merely "rubber-stamp" the resolutions of the smaller body.

"The proposal of the Southwestern faction to punish officials who were responsible for the loss of territory was probably made just to displease the Nanking group, which in turn will simply laugh the bill down," the paper continued.

The draft constitution, if presented at the gatherings, will be in a "boneless' form, but it is more likely that it will not be submitted on the ground that the anti-Communist operations are still incomplete, according to the newspaper.

Finally, the paper commented: "If the policy towards Japan is allowed to drift as it does today, the Nanking Government will be object of derision of the Southwest and, at the same time, will be unable to establish itself on a firm basis as a result of continued difficulties with Japan."

WANG DENIES JAPAN HAS PRESENTED NEW DEMANDS ON NORTH CHINA

Rumors that the Japanese had presented new demands concerning North China were strongly denied by Wang Ching-wei in an interview with the *Central News Agency* Oct. 19. President Wang said there is no change in the situation in the North, nor are any Japanese "demands" served on China. Mr. Wang admitted. however, that negotiations are proceeding for the economic rapprochement between China and Japan. These negotiations are substantially correct as reported in the papers.

All rumors now in circulation in North China are entirely without foundation. declared General Sung Cheh-yuan, Garrison Commander for the Peiping-Tientsin area, in a press interview at Peiping Oct. 19. Expressing his regret over the circulation of these goundless rumors, General Sung urged the general public not to believe them.

Referring to the recent Dairen conference, General Sung stated that he had seen General Tada, Commander of the Japanese Garrison in North China, after the latter's return to Tientsin. According to General Tada the purpose of the conference was to transmit the orders of the Japanese Government to the Japanese military officers in North China and no resolution regarding North China had been reached at the meeting.

"NIPPO" REPORTS CHINA WILL ACCEPT JAPANESE DEMANDS

Instructions to accept Japan's demand for the eradication of the anti-Japanese movement in China will soon be sent to General Chiang Tso-pin, Ambassador to Tokyo, the *Shanghai Nippo* reported Oct. 22. These instructions are said to have been formulated at a series of conferences held in Nanking between General Chiang Kai-shek, Wang Ching-wei, Sun Fo, General Huang Fu, Chen Li-fu and other high Government officials, the *Nippo* said. The conferences considered the proposals made by Koki Hirota, Foreign Minister, to Ambassador Chiang some time ago. These proposals included, the paper said:

1.—Extermination of the anti-Japanese movement and the realization of Sino-Japanese economic rapprochement.

2.—Tripartite collaboration, economic and administrative, in North China, eventually leading to China's recognition of Manchukuo.

3.—Co-operation between China, Japan and Manchukuo in preventing the Sovietization of North China and Inner Mongolia.

The Chinese officials, according to the *Nippo* have agreed to accept the assistance of Japan and the new Empire in suppressing communism, but turned down the proposal to recognize Manchukuo, holding that "the time is not yet opportune."

CHINESE PROFESSOR ARRESTED BY JAPANESE GARRISON

The East Asia Economic Association, organized by former government officials of the defunct Peking regime and commercial and industrial leaders was formally inaugurated at the Peiyang Hotel in the Japanese Concession in Tientsin Oct. 20. Sun Hung-I, a former Minister of Interior Interior and Education of the Peking regime, Kao Ling-wei, a former Premier of the Peking regime, Niu Chuan-shan and 12 others were elected members of the Board of Directors.

Shanghai Nippo reports that during the inauguration ceremony of the East Asia Economic Association, an anti-Japanese speech was made by Professor Chang I-mong, of Hopei Provincial University. Professor Chang pointed out that the Mukden event was the result of the overpopulation of Japan, and that China must curb the economic development of Japan. A great sensation was caused by the speech at the meeting, which both Col. Hayashi and Mr. Nishida, the Japanese vice-Consul attended. Professor Chang was later arrested by the Japanese garrison in view of the fact he is connected with the Kuomintang headquarters.

Interviewed Oct. 22 in connection with the reported Sino-Japanese economic co-operation, a spokesman of the Ministry of Foreign Affairs stated that the scheme will be worked out by private interests.

Having completed their tour of Kwangsi, Japan's main industrial area, the members of the Chinese Economic Mission arrived at Nagoya Oct. 19.

Discussions aiming at the sending of a Japanese mission of representative business men and bankers to China, to return the visit now being made by a similar body of Chinese, will be undertaken as soon the latter group returns to Tokyo from their tour of Kwangsi, a *Rengo* report states.

Two parties of Chinese officials arrived at Kobe Oct. 21 from South China on the *S.S. Tatsuta Maru* for an extensive tour of Japan. The larger group, consisting of 20 persons from Kwangsi, headed by Ou Yang-yi, head of the Yulin District, arrived to study agriculture. The other group, headed by Prof. Ho Hung-ping of Lingnan University of Canton, arrived to study education.

Twenty-six Japanese engineering experts left Tokyo Oct. 22 for a series of lectures in Shanghai, Nanking, Tientsin and Peiping, according to a *Rengo* report.

14 JAPANESE SOLDIERS KILLED IN KIRIN CLASH

Fourteen Japanese soldiers were killed, while 13 others, including a captain were wounded, in a fierce encounter with bandits 12 kilometers south of Tayutun, Kirin province, Oct. 19, according to a *Rengo* report from Tsitsihar.

Successful termination of negotiations on the inauguration of radiophone service between China and Japan was official announced Oct. 22 by the Ministry of Communications in Tokyo. According to the terms of the agreement, the service will be open to public on February 15, 1936, with the rate per three minute call set at Y.15.

FUKIEN CHAIRMAN GOES TO FORMOSA ON OFFICIAL VISIT

General Chen Yi, chairman of the Fukien Provincial Government. sailed from Foochow aboard the gunboat *Yashen* for Formosa on an official visit there. During his sojourn, Gen. Chen will visit the exhibition now being held in Taihoku. General Chen arrived at Keelung Oct. 22. Soon after arrival Gen. Chen called on Kenzo Nakagawa, Governor-General of Formosa, and Lieut.-Gen. Baron Hisaich: Terauchi, Commander of the Formosa Garrison.

CANTON URGES RESISTANCE AGAINST JAPANESE

Resistance to Japan was urged upon the officials of the Nanking Government in a telegram, signed by the faculty of Sun Yat-sen University in Canton, sent on October 7, the *Shanghai Mainichi*" reports.

Declaring that after the loss of the North-eastern provinces, the control of Hopei, Chahar, Suiyuan and Shansi was about to be in the hands of a "neighbouring country," whose "tentacles" were now extending to the South-west the

manifesto criticized the failure of the administrative officials to oppose this invasion.

"When a British economic representative calls in Japan before coming to China, we may truthfully state that China has virtually become a Japanese protectorate," the message was quoted as saying. The expulsion of all "enemy aliens" was urged upon the Nanking leaders for the salvation of China.

MONGOL POLITICAL COUNCIL DISCUSSES ANTI-RED MEASURES

The third plenary session of the Mongolian Political Council began its formal discussions Oct. 21. The conference will last for one week, and one of the most important questions to be discussed is that of devising ways of co-ordinating the various Leagues and Banners in defense measures against possible invasion of Communists from north Shensi.

The seat of the Commission for the Establishment of the Hsikang Provincial Administration will be removed from Ya-an (Yachow), western Szechuan, to Kangting (Tatsienlu), eastern Hsikang, next month, according to Leng Yung, member of the Commission, in an intervie at Nanking Oct. 21.

LARGE REWARDS OFFERED FOR CAPTURE OF RED LEADERS

Rewards for the capture of important red leaders, dead or alive, have been announced py the Generalissimo's provisional headquarters at Sian as follows:

For the capture of Mao Tse-tung,	alive:	$100,000
	dead:	80,000
Lin Piao,	alive:	$ 60,000
	dead:	40,000
Pen Teh-hui	alive:	$ 60,000
	dead:	40,000
Chou En-lai	alive:	$ 50,000
	dead:	30,000

A reward of $30,000 for the capture alive and $20,000 for the capture dead of any one of the so-called members of the C.E.C. of the bogus Soviet State or commanders of army corps, regiments and divisions of the "Red Army" is also ocered.

General Chang Hsueh-liang, newly appointed Vice-Commander-in-Chief of the North-western Bandit-suppression Forces, returned to Sian from Hankow by airplane at 3 p.m. Oct. 19 after winding up the affairs of the Provisional Headquarters at Wuchang which is officially closed Oct. 20.

SEVERE BEATING ADMINISTERED TO SHENSI COMMUNISTS

Striking northwards from the city of Fushih (Yen-an), the units under Lieut.-Gen. Wang I-che, Commander of the 67th Army (former Northeastern troops), are attacking the which is expected to fall momentarily. The 84th and 86th Divisions under Lieut.-Generals Kao Kuei-tzu and Ching Yo-hsiu are jointly operating against the marauders in the remnant Reds under Hsu Hai-tung and Lu Tzu-tan at Ansi, Tsingkien-Shihwan sector.

Fleeing northwards towards the Kansu-Shensi border, the Reds under Mao Tse-tung have been severely beaten by the Government troops at Tungwei, 140 miles southeast of Lanchow, provincial capital of Kansu.

Shanghai Mainichi reports that General Yen Hsi-shan has asked Nanking for a special subsidy of $500,000 when General Chiang Kai-shek was in Taiyuan. As a result of negotiations, Gen. Chiang consented to allot General Yen $400,000 including the expenditures for the suppression of Communists in Suiyuan.

In the vicinity of Tientsi, the Japanese paper reports that two divisions of the Northeastern force met with reverse at the hands of the Reds. General Hu Chun-nan's troops have been instructed to leave Szechuan for Kansu to render assistance to the force under General Yu Hsueh-chun.

According to General Chu Shao-liang, Chairman of Kansu, about 5,000 Communists are continuing their activities in the province, but they have suffered heavy losses in encounters with the Government force. Hundreds of Reds have surrendered to the Government troops in the district of Minhsien.

Large numbers of communists in southern Chinghai have died of pestilence, hunger and cold in that part of the province, according to military advices received at Chengtu from Hsining, Capital of Chinghai.

By a joint order of the Szechuan Provincial Government and the Rehabilitation Commissioner's Office for Szechuan, martial law in Chengtu has been lifted and the Martial Law Headquarters abolished.

RELATIONS BETWEEN NANKING AND CANTON AGAIN STRAINED

While the political situation in the South appears to be drifting towards a "showdown" with Nanking, *Reuter* learns that a final decision to convoke a separate National Kuomintang Congress at Canton has yet to be made, as there is still some hope that a compromise will be reached. An emergency meeting was held to-day by the South-West Political Council Oct. 18. Nothing is known concerning what transpired at the meeting but it is understood that the policy to be adopted towards Nanking was the subject of the deliberations.

According to the *Central Press*, the members of the Southwest Kuomintang Executive Committee dispatched a telegram to Nanking Oct. 2, strongly refutting the stand taken by the latter that the agenda of the forthcoming Fifth National Congress of Kuomintang delegates had been definitely fixed before August 18, 1934, and hence could not be modified by the telegram of the Southwest C.E.C. members dated Sept. 8, 1934. The Sept. 8th telegram demanded severe punishment of traitors and terrorists, revision of tariff rates in favor of home industry, and the formation of a string policy towards domestic and foreign affairs.

Hsiao Fu-chen, prominent C.E.C. member, interviewed by the *Central Press* Oct. 14, stated that he regarded with pessimism the probable income of the Fifth National Kuomintang Congress, for everything was contrary to the provisions of the Party Platform. Regarding China's present plight, the talk of Sino-Japanese rapprochement would always remain a talk, if it not be based upon mutual respect, equality, and sincerity. At present, Mr. Hsiao continued, the Southwest is China's only hope and it will never acquiesce, still less partake in, the weak foreign policy, adopted by the Central Government with regard to Japan.

Central Press reports that the People's Union for National Salvation at Shanghai has dispatched a telegram to Nanking, demanding that the Sept. 16th telegram of the Southwest leaders be published and its contents made known. Apparently, the agency reports, Nanking authorities have forbidden publication of the telegram.

GENERAL AND MADAME CHIANG KAI-SHEK VISIT HOME CITY

General Chiang Kai-shek, President of the Military Affairs Commission, accompanied by Madame Chiang, arrived tt Fenghua, his native city, at 5.30 p.m. Oct. 20 from Nanking. General and Madame Chiang travelled to Ningpo from the Capital by air and after landing there, they motored to Fenghua.

The Generalissimo is visiting his country seat for a brief rest and is expected to return to Nanking this week-end to attend the Sixth Plenary Session of the Central Executive Committee which is scheduled to be opened on November 1.

As a result of a meeting of the Committee of Seven of the Legislative Yuan Oct. 19, the draft Permanent Constitution of the Republic of China was revised to conform with the five general principles laid down by the Standing Committee of the C.E.C.

Presided over by Dr. Foo Ping-chang the meeting was attended by John C. H. Wu, Wu Shang-ying, Liang Han-chao, Lin Ping and Ho Sui as well as Tao Li-chien, Acting Minister of Interior.

After a careful study of the text of the Draft Constitution the Committee definitely decided upon various amendments, which, it is reported, involve the elimination of 4 chapters and over 30 articles, thereby reducing the document from 12 chapters to 8, and from 178 articles to 140.

While the phraseology of the Draft as a whole was also modified to secure greater simplicity and clarity, most of the amendments affected the chapters dealing with the local governments, namely. "The Provinces," "The Districts," and "The Municipalities."

Sino-Japanese Economic Co-operation

BY T. S. YOUNG

IN Europe, the British and French statesmen are seriously considering the practicability of applying economic sanctions to Italy—a country which is now under the dictatorship of a strong and ambitious leader who is resolved to do things in accordance with his own whims regardless of international engagements and commitments. Here in the Far East, the Japanese officials are talking about arranging Sino-Japanese economic co-operation for the said purpose of attaining the object of co-existence and co-prosperity. In the former case, when the worst comes to the worst in the Italo-Abyssinian dispute, Britain and France may use their joint influence in an attempt to induce other countries to cut off their financial and commercial relations with Italy as a measure to bring the latter to terms; while in the latter case, Japan is inducing China to come into economic rapprochement, so that under the cloak of economic co-operation Japan can create a dominant economic position in China. There is, of course, no similarity between these two cases, but what strikes us as the most amusing is the fact that the very country to which economic sanctions ought to be applied four years ago after the rape of Manchuria is now attempting to form an economic bloc with its neighbor with the obvious object of shutting China's open doors on the American and European traders.

Sino-Japanese relations are now taking a turn from the military phase to the economic aspect. Instead of talking about sending a punitive expedition against this or that Chinese military leader, the Japanese are now dwelling on the need of Sino-Japanese economic rapprochement. Group after group of Japanese business men have come over to China to explore the Chinese market for increasing the sale of Japanese products, while Chinese bankers and business men have likewise formed different economic missions to visit Japan. On the surface, this exchange of economic missions would improve the understanding between the Chinese and Japanese people and pave the way for ushering in a new era of peace and friendship in the relations of these two countries. But beneath this veneer of superficial show, one can not fail to detect the element of hypocrisy which has been played up in a great measure.

Sino-Japanese Comical Farce

Hypocrisy is indeed the right word to describe the present Sino-Japanese comical farce. Japan, on this world stage, must be applauded for her versatility in playing different roles equally well. With a grim face, she can wield a big sword in the act of a robber to the horror of the audience. Then all of a sudden, wearing a mask of smiling countenance and hiding the big sword, she plays the part of a gallant lover to coax her former victim. She changes her role from that of a robber to that of a lover unsung and unheralded, and her acts have not only bewildered the spectators, but have also placed the player playing opposite to her in great embarrassment. As a co-star in this comical farce, China has found difficulty in matching Japan's wits and acts. With tears still in the eyes after playing the part of a victim in the robbery, she has to pose as a woman in the present love-making episode. Even the audience, after having just witnessed the horrified robbery, can not believe in what they are seeing on the stage at present.

Japan has eaten the cake and wants still to have it. She has grabbed away from China, Manchuria and Jehol, and by so doing, she has forfeited China's friendship. In the meantime, by the sheer force of her military strength, she has forced China to accept her as a warm friend. Friendship between two countries, just as between two individuals, must be cultivated by mutual goodwill and can not be forced upon any party. Being weak and defenceless, China, of course, can not refuse Japan's protestations of friendship, no matter how insincere they are, but with humiliations still fresh in memory, how can she shake hands with Japan in a sincere manner? Genuine co-operation, be it economic and political, must be mutual and reciprocal. In the present circumstances, no genuine co-operation between China and Japan can be attained.

In the meantime, one can not help asking what are the real motives prompting Japan in her eagerness to come into economic rapprochement with China. By virtue of our past lessons, we can not be oblivious of the real meaning of the so-called Sino-Japanese co-operation. It is the dog meat stuck with the head of a goat. In other words, it is but a form of Japanese economic imperialism under a good name. Under the guise of Sino-Japanese economic co-operation, the Japanese imperialists can carry out their ambitious schemes less conspicuously but more successfully. Economic penetration, it must be noted, is more powerful as a weapon to conquer a weak country than military inventions, because it it can be carried out steadily and quietly without arousing public opposition and suspicion. Besides, it is less expensive but more certain in results.

We have no objection to Sino-Japanese economic co-operation in its true sense. In view of the racial, cultural, historical and geographical relations between China and Japan, we have always believed that close economic co-operation between these two countries will not only bring benefit to the countries directly concerned, but will also have a stabilizing effect upon the general condition of the Far East. But we must emphasize that the co-operation which we have in mind is not the one-sided co-operation forced by the conqueror upon the conquered, but the one that is based on the principle of equality and reciprocity. China has been habitually called by the Japanese a "disorganized state." Then how can a "disorganized state" and a first-class military power enter into an economic co-operation on the basis of equality and reciprocity?

In the present talks of Sino-Japanese economic co-operation, the Chinese business leaders in North China, because of the special circumstances they are now in, have to be more active to meet the Japanese wishes. They have already established the so-called Hupeh Economic Association with the object of co-operating with the Japanese business interests in the development of resources of North China. In accordance with the Japanese press, the Japanese have mapped out a program for the development of North China,—which consists of the building of the Tsang-Shih railway, the extension of the Shantung railway, harbor improvement works of Taku and Tangku, the exploitation of Shensi collieries, the operation of Lungyen iron mine, and the giving of technical assistance to the farmers in the cultivation of raw cotton, wool, wheat and other crops in order to make agriculture in North China multilateral and increase the purchasing power of the farmers.

The Real Objectives of the Japanese Imperialists

In studying this program, one can easily discern the real objectives of Japanese imperialists. To all intents and purposes, they are using the same tactics to conquer North China as they did in the case of Manchuria by the construction of strategic railways and the improvement of harbors. By controlling the strategic railways and harbors, Japan will become the master of North China in fact if not in name. The fact that these constructions and improvement projects are Sino-Japanese joint undertakings will not make any difference, inasmuch as any Sino-Japanese joint undertakings will sooner or later pass into the exclusive Japanese hands. Thus this Sino-Japanese economic co-operation is merely a camouflage under which the Japanese imperialists can create a special economic position in North China, so that one day they can invade North China on that pretext.

Besides, in embarking on agricultural development in North China, Japan hopes to secure such products which she vitally needs, notably cotton and wool, which "Manchuria does not produce at present and probably can never be made to produce." Heretofore, the Japanese merchants have depended upon the United States and Australia for their supply of cotton and wool respectively. It has long been their hope that they could secure the supply of these materials from some sources other than those countries which have built up high tariff walls against the importation of cheap Japanese articles. After the forcible occupation of Manchuria, Japan has tried to raise cotton and sheep in Manchuria, but their efforts have not met with any encouragement, because of the unsuitable climate. The Japanese are now expecting to get from North China what they have failed to get from Manchuria.

Furthermore, in the four provinces of Hopei, Shantung, Shansi and Chahar, which are said to be within the orbit of an economic bloc Japan wishes to establish, the total number of their population is double that of Manchuria. It follows that as a future market for Japanese products, North China will far exceed Manchuria in potentiality. Thus, by encouraging agricultural development in North China, Japan has tried to hit two birds with one stone. On the one hand, she tries to secure from there the needed supply of cotton and wool; and on the other hand, she aims at increasing the purchasing power of the farming population, so that she can sell more Japanese goods to them. Therefore North China will not only be a colonial reservoir from which Japan can draw her needed raw materials, but will also be a great market to absorb Japanese finished products.

These are the Japanese objectives behind the present talks of Sino-Japanese economic co-operation in developing North China. While it is not expected that the Japanese imperialists can carry out this elaborate program all at once, they are, however, apparently determined to realize their long cherished wishes. This form of imperialism will prove more deadly to China's existence than the military invasion. It is feared that China's national finance and economy may totally pass into the Japanese control through this route of the so-called Sino-Japanese economic co-operation.

Hangchow, Oct. 5, 1935.

74-297

Thousands of "Bandits" Continue to Harass Japanese in Manchuria

BY THE REVIEW'S HARBIN CORRESPONDENT

THE propaganda of the Japanese appears to be at variance with their statistics. This is especially true in regard to the bandit situation in Manchuria. The propaganda, hitherto disseminated through publicists of George Bronson Rea's type, has been to the effect that banditry, or the armed resistance against the Manchukuo regime, was about to end, yet the recent figures released by the headquarters of the Kwantung Army tell quite a different story—banditry, instead of being on the wane, as has been stated appears to be on the increase. It is surprising to read that, at this late hour, there were, at the end of September, still 67,873 bandits carrying on armed resistance against the "established" authority of Manchukuo, and these bandits turn out to be not mere highway robbers, as we have been told, but bands with definite political color, united for the attainment of certain common objects of a political nature.

Banditry on the Increase

That banditry is on the increase may be judged from a comparison of figures given in July last with those released recently and giving the total number of bandits as 67,873. According to the July figures (cf. *The M. D. News* for July 17), on the first of that month, there were not more than 23,000 bandits throughout the whole territory of Manchukuo, which number was allegedly "less than one-ninth of the total which harried the country about four years ago". A simple calculation reveals that, within a short period of only three months, the number of bandits operating in Manchuria has increased 292 per cent, a phenomenon never observed in previous "kaoliang" seasons. Hitherto, it has been claimed in official reports that banditry was on a steady decrease, and as an illustration thereof one report gave the following figures relating to "bandits" in the Tungpientiao district of Fengtien Province in recent years (cf. *ibid.*): 20,000 in closing months of 1931; 40,000 in April, 1932; 100,000 in June, 1932; 142,500 in September, 1932; 61,300 in April, 1933; 25,000 in May, 1933; 32,050 in August, 1933; 15,000 in December, 1933; 14,500 in September, 1934; 5,360 in November, 1934; and 2,247 in December 1934. Last month, in that district, there were 10,164 bandits, led by 207 chiefs, that is, since last December, the bandits have increased in that district more than four times.

When trying to find out the cause of this phenomenal increase of malcontents, or the loyalists from the Chinese point of view, it must be admitted that there seems to be something wrong with the figures given out by the staff of the Kwantung Army, or—if that is not the case—the general situation of the country has deterioated. That the statistics are wrong and hence do not present the real situation seems to be apparent, because, firstly, the above quoted figure of 67,873 bandits does not include those extant in the Lower Sungari, along the C.E.R. lines, and in the region of the Great and Small Hsingan Mountains, the omission being hard to understand. There appears to be no way of knowing even the approximate number of bandits; they do not keep a regular front against the "government" troops or police; they are always on the run, or—rather—hide themselves in villages, this being especially true in regard to those having political color, so that to get their real numbers appears to be anything but easy.

General Situation Becomes Worse

That the general situation does not improve but tends to get worse is admitted by all. There is no sign of an approaching millennium—happily for all, the allusion to Paradise is completely forgotten by now. In respect of peasantry, constituting the fountain-head of banditry, this is characterized by the following: (1) taxation remains as high as before, in some instances it having been increased two or three fold (the running of Manchukuo is evidently not cheap); (2) continuous depreciation of the "gobi" currency, which after replacing old currencies lost approximately 25 per cent of its value, that is, the peasants, the holders of those currencies, have been rendered so much poorer, though perhaps in their ignorance they do not realize the trick; (3) continuous slump in produce business (if there is any improvement there are so many middlemen from the Mitsuis downward to a village agent that the peasant gets practically nothing); and (4) the apparent agrarian policy of the puppet regime, tending towards the seizing of Chinese farms and handing them over to new immigrants from Japan and Korea. These factors, now working in full force in rural districts, have contributed to the continuous and progressive pauperization of peasants and lower classes of the urban population. If we add to this the insolent and overbearing attitude of all Japanese officials in the Manchukuo employ, then it will be seen why the robust part of the native population takes up arms and turns to high roads. When your farm on which you have sweated since your boyhood, is taken from you and handed over to somebody else, and you are told to get out, you certainly feel indignant, as was the case in the Ilan district on the Sungari River where the farmers were offered $ 2 per mou and ordered to quit. They replied by a general uprising, quelled with untold barbarity.

The statement that the general situation is getting worse appears to contradict the usual propaganda about general improvement in Manchuria said to have set about following the creation of the puppet Empire. While there is no denying the fact that there are signs of tremendous activity along constructional lines on all sides, it is equally true to say that the prosperity, about which so much is being said and written, is purely superficial, and benefits only a part of the urban population, and only the fovored part thereof, at that. The bulk of the population—the peasantry—is in the mire of poverty and despondency worst confounded, whilst it continues to bear a major part of taxation, direct and indirect. That Manchukuo does not offer any appreciable market for Japanese manufactured foods appears to be certain: the buying power of the peasantry, constituting 90 per cent of its population, remains at nil, and there is no immediate prospects of its being raised. In this respect, the prophesies offered by experts in these columns and elsewhere three years ago have become perfectly true; except the Japanese and, perhaps, a section of the foreign population of Manchuria, nobody feels better off than before the birth of "Manchukuo."

The neighborhood of the Soviet Union appears to be of tremendous import for the Manchurian bandit situation. To the Soviet Union, all these bandits, volunteers, and Korean "reactionaries" look as to the fountain-head of their strength and inspiration. The Japanese are especially emphatic in accusing the Soviet Government of assisting these bandits, volunteers, and Korean "reactionaries". They claim having sufficient evidence to substantiate the existence of such assistance. In this respect, the following dispatch appears to be of special interest:—

> "Hsinking, July 13.—A certain country has given assistance to bandits infesting the Manchukuo frontier districts on more than 70 occasions since last year, according to investigations conducted by a certain reliable organ here.
>
> "Material support was given on 16 occasions and personal assistance on 11 occasions. There were many cases in which former employees of the North Manchurian Railway maintained connections with bandits and cooperated with them in derailing trains.
>
> "The investigations further reveal that the bandits who were captured by punitive forces at Hulin (on the Ussuri River) last month were armed with new-type rifles manufactured by a certain country in 1931."

An earlier report, dated July 2, alleged that elaborate schemes for stirring up riots and mutinies in Manchukuo and to assassinate its foremost officials were being hatched by agents of "a certain country" and remnants of the North-Eastern volunteers, "Red Spears" and "Big Swords". The details of these schemes were stated to be as follows: (1): to collect impoverished farmers and unemployed coolies and teach them communism, spurring them to destructive acts; (2) to urge them to cooperate in all these activities with Kuomintang and Blue-Shirt agents now operating in Manchukuo; and (3) to furnish them with munitions, provisions and money for carrying on their activities.

Soviets Ferry Fleeing Bandits Across River?

Another report even stated that the Soviets went so far as to ferry the fleeing bandits across the river, carrying out this operation in full view of the pursuing Japanese troops. This is alleged to have taken place on August 11, on the Ussuri River, near Ekaterino-Nikolsk village, when 150 bandits fled to Soviet territory on a Soviet vessel, "specially waiting for them on the Manchukuo side of the river". Suppose such assistance was rendered by Chinese troops, it is not difficult to foresee that, as a result of it, China would have lost a province or two. Evidently, the Soviets possess some magic power that checks the Imperial Japanese troops, which they have never met while dealing with the Chinese.

That the Soviets render, whenever possible, such assistance appears to be undeniable. The existence of active insurrection on this side of the frontier is for them a sort of shield protecting them from a possible Japanese attack. So long as volunteers, bandits and Korean "reactionaries" continue to keep up armed resistance against the Japanese-Manchukuo armies in Manchuria, the Soviets may rest assured that no sudden attack would be forthcoming from this side. With the rear seething with revolt, it would be sheer madness to plunge headlong into a war with a first class military power.

The Japanese appear to be repaying the Soviets with the same coin. Not long ago, the Soviets arrested, according to their own reports, three white Russians, who penetrated into Soviet territory with arms and anti-Soviet propaganda, all supplied by the Japanese, with intention to disturb peace and order in Soviet territory. They were caught, court-martialled, and shot. That such may be the case is evident from a tale of a Buriat, a resident of the Three Rivers region in Barga, who related to the writer that, at one time, the Japanese used to supply arms and ammunition to the Russians

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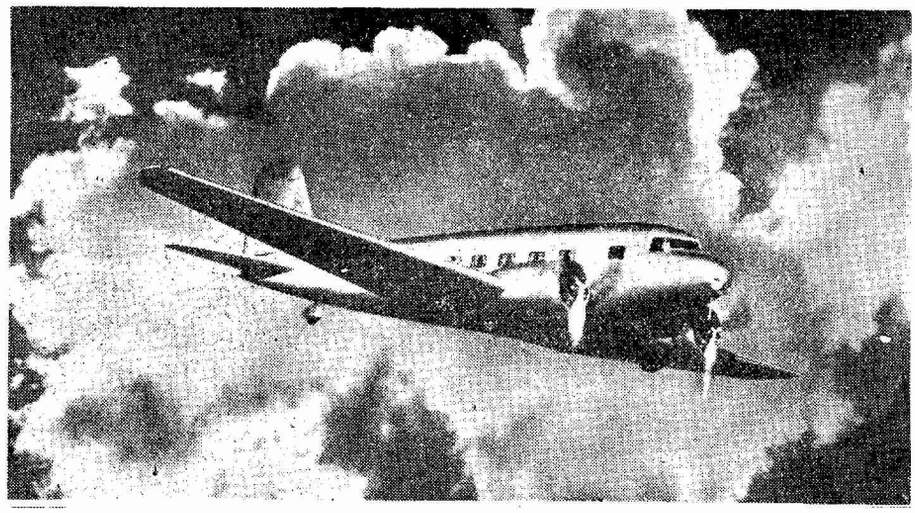

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willing to cross the frontier and to plunder in the adjacent Trans-Baikal Province. At one time, he said, such Russians, mostly unemployed Cossacks, used to bring herds of horses grazing on the Soviet side and sell them at Manchuli and Hailar. However, the last batch of such men did not return, evidently having been caught by the frontier guards or killed in action, he said.

All the 68,000 bandits, operating now in Manchuria, are classified by the staff of the Kwantung Army, whose business is to quell them as follows: (1) those under the direction of the Chinese Communist Party; (2) those under the direction of "a certain country" (say, the U.S.S.R.), and (3) professional bandits. According to a *Kokutsu* message from Harbin dated August 7 last, in the northern half of the old Kirin Province, extending from the Changchun-Tumen Railway right up to the Amur River, there were altogether 20 groups of bandits affiliated with the Chinese Communist Party. These groups were led by Li Yen-lu, Shan Teh-chin, Tung Chih and Chiang Teh-shang, to name a few of them. As regards those directed by "a certain country", there were, in the same territory, 56 groups under general command of Kung Hsien-ying and Chin Kuo. The number of professional bandit groups was not stated, perhaps in view of the impossibility of checking them up.

It would serve no useful purpose to enumerate here even the major encounters the "bandits" had with their adversaries in recent months. All these attacks on railways, steamers and populated centers have been the subject of reports in the press, of course, in the light deemed proper by the Changchun Information Bureau. That the quelling of bandits in Manchuria has turned out to be tough business is also evident from the fact that appropriations for the maintenance of the Kwantung Army continue to be as high as before—approximately, the army "eats up" Yen 200,000,000 in a year, which in four years has made a good round sum of Yen 800,000,000. At present, the War Office is again asking for Yen 200,000,000 for the maintenance of this army in the coming fiscal year of 1935—1936. Of this expenditure, the puppet Government has made good only Yen 18,000,000, which appears to be a mere drop in the bucket.

Harbin, October 7, 1935.

Naidis in Custody at Wuchang, Says Chinese Have No Case Against Him

Brian Naidis, a motor-car salesman of Shanghai, who was arrested by the Hupeh authorities in August on the grounds that he and his companions, Carl J. Lemcke and Engene Brinson, were endeavoring to effect the release of Joseph Walden, is still detained at the Detention House in Wuchang, opposite Hankow. He has expressed himself as confident that the Chinese authorities have no case against him. As far as can be ascertained, he is safe and well, and spends much of his time reading.

Shanghai Municipal Council Leases Land to Japanese Shrine

Agreement to lease to the Japanese Shanghai Jinja, Shinto Shrine on Kiangwan Road, an area of 1.6 mow (about one-third of an acre) of Hongkew park land adjoining the present premises of the institution, was obtained from the Shanghai Municipal Council last week. The lease will extend to December 31, 1951, when the term for the renting of the land on which the shrine itself stands will expire. The rental for the new plot of land has been set at Tls. 150 a year. Three conditions are attached to the agreement. These provide that land will be used for the purpose of raising rice to be made into offerings at the shrine, in keeping with the practice of other Shinto establishments or any other purpose for the exclusive benefit of the shrine; that any person entitled to use the park, or any park attendants, shall be permitted to enter the area unhindered; and that the Shrine build a wall on the southern and eastern side of the area where it adjoins the extra-Settlement zone.

The Municipal Council in making public the terms under which the trustees of the Shrine had leased additional land belonging to the Council stated that it had stipulated that the lessees are to use the land only for purposes requisite in connection with the adjoining Shrine; the lessees are also to permit such persons as are entitled to enter Hongkew Park to use the area so leased during the hours laid down by the Regulations of the Council; and to permit the Council's officials to function in the said area during such hours.

British Soldiers in India Sentenced for Unauthorized Raid on Village

The sequel to a recent unauthorized raid on a village in Benda by sixteen privates of the 1st Battalion King's Regiment was heard in Jubbulpore, British India, Oct. 19, when the Sessions Judge sentenced one private to penal servitude for life and fourteen others to varying terms of rigorous imprisonment.

Three of the men were charged with the murder of a villager, three others with assault, one with arson, and the remainder with rioting.

"Ping Ts'ai" in Szechuan

BY NORMAN DAVID

THE Chinese have three expressions which describe the main types of catastrophe to which they have been subjected in past years: (1) *shui ts'ai*, "flood calamity"; (2) *han ts'ai*, "drought calamity"; and (3) *ping ts'ai*, "soldier calamity"—too much water, too little water, and too many soldiers, Investigations of any part of the country must devote a good deal of space to statistics concerning these three afflictions, but it is in Szechuan, the richest, most populous and most self-sufficient province in China, where I am at present travelling, that one finds the best example of a province which has suffered from *ping ts'ai*, "too many soldiers."

However, at present in Szechuan there seems to be open season for warlords. Every paper and periodical has at one time launched very critical editorials and well-documented articles against the militarists who have so cruelly dominated the scene in past years, a fact which would have been impossible less than six months ago. Since the arrival of General Chiang Kai-shek in Szechuan and the extension of his power, the press has felt itself free to attack the former warlords and their regime. Much of the information brought to light is very valuable, and with the purpose of making a study of actual conditions in Szechuan, I have undertaken to select and translate some of this material. Hitherto general conditions have been known well enough but definite facts and figures have been unfortunately lacking.

A good deal of information concerning the land tax in Szechuan may be obtained from a survey by Tuan Chung-Jung in the Chungking *Ta Kiang Jih Pao* of July 5, 1935. The land tax, formerly a national tax, is now the main source of provincial revenue in China. In Szechuan it has been particularly loaded with abuses—not only has it rapidly increased but there have been excessive advance collections as well as heavily assessed miscellaneous surtaxes. As a result an extremely critical situation resulted which was in part responsible for the welcome accorded General Chiang.

The following table gives some idea of the land tax for the whole province of Szechuan prior to 1926:

1913	$6,926,839
1914	$6,501,615
1916	6,866,611
1925	6,861,394
1926	6,847,159

(Source: National Wuhan University Szechuan *Students Review*, No. 2.)

According to this the total was around six million dollars yearly. There being more than 140 *hsien* (counties) in Szechuan, the average land tax per *hsien* was around $46,000.

After 1926 the notorious Defence District System was forcibly created in Szechuan with the division of the province among a number of war lords. This was in existence until February of this year. Alongside this system there was the regular government which was, however, little more than an empty name.

Since this time not only has the whole province been without a single planned financial policy but even in each Defence District there has been no definite budget of income or expenditure. It is only through outside sources such as periodicals or newspapers that one can obtain any idea of the extent of their collections. The following table detailing the land collections of the 21st Army (under Liu Hsiang, the present Chairman of Szechuan) will give some idea of the growth of collections in a limited area.

LAND TAX INCOME OF THE 21ST ARMY:

1928	$2,002,634
1929	3,354,976
1930	2,050,157
1931	4,987,517
1932	9,504,428
1933	15,990,645

(Source—*Ching Chi P'ing Lun* (Economic Critic), Vol. I, No. 8.)

Judging from this table it would seem that the squeezing machine had begun to pick up rapidly when complications, of which the Red Army was not one of the least, caused an abrupt halt in these extortions. As can be seen even from these figures of the 21st Army Defence District, the annual collections were on a steep up-grade. In 1928 and 1929 when this 21st Army controlled only 16 *hsien* (out of 140) the collections were a little more than $2,000,000, an average per *hsien* of $100,000 plus. From 1930 to 1932, with 28 *hsien* under its control, the 21st Army collected more than $9,000,000, an average of more than $300,000 per *hsien*. Contrast this with the $46,000 per *hsien* before 1926.

Not only were the collections increasing but the number of advance collections per year (supposed to be not more than one) were also growing rapidly. The following table gives the number of collections per year together with the date of last collection for the various Defence Districts:

TABLE OF ADVANCE LAND TAX COLLECTIONS IN SZECHUAN (ENDING WITH AUGUST, 1934)

	Advance Collection Date	*Number of Collections Per Year*
20th Army	1961	6
21st Army	1939	4
24th Army	1936	2
28th Army	1985	14
29th Army	1977	12
New 6th Division	1969	10
South Szechuan Border Defence	1944	3
23rd Division	1971	3

(Sources—*Szechuan Review*, No. 28, No. 29; *Ching Chi P'ing Lun*, Vol. 1, No. 8.)

Figures given thus far deal only with the land tax. However, the surtaxes were far more vicious. An example of the amount of surtax compared with the basic land tax can be grasped from these figures for two *hsien* in 1934.

	BASIC TAX	SURTAX
Pa Hsien	$11,461.00	$276,220.00 (24 times as much)
Hsiu Shan	4,876.70	97,533.00 (20 times as much)

(Source—*Ching Chi P'ing Lun*, Vol. 1, No. 8).

What were these various surtaxes for? In many cases, as can be seen from the following extended list, they were simply new names for the same taxes reassessed. This list with the amounts is taken from the actual amounts paid by one Ch'en Hsiao i, of Pa Hsien (Chungking):

Industrial School Deed Tax	$ .30
School surtax	.13
Original Education policy	.17
Deed Copying expense	.10
"Ching Chuang" (crops)	1.30
Mortgage tax	.33
Hsien Education Expense	.11
Construction Expense	.60
"San Li" Middle School	1.00
Expense to assist returned students	3.40
Hsien Militia Committee	.13
Telephone	.50
Deed Tax	5.25
Red Cross Deed Copying	.30
Ruling of Official Deeds (?)	.50
Militia Funds	.51
Promulgation of orders	.40
Prison provisions and support of orphans	.11
Hsien government deed examination expense	.50
Basic surtax	.25
Construction report expense	4.00
Provincial surtax	.50
Official Deed Work Document (?)	.50
Monthly Report Expense	1.00
Stamp tax	.50
Examination expense	.50
House exaction	.50
Education expense	.27
Total (28)	$23.76

It is to be noted that although this amount seems to be small to a foreigner it is very great when one realizes the large proportion of income which goes to pay these taxes. In addition the surtaxes differ both in name, amount and quantity from one hsien to another. This same article is the source of the statement that 50% or more of the total income of the Szechuanese goes to pay taxes.

In addition there are special grain taxes assessed for various purposes. In 1933 there were the following:

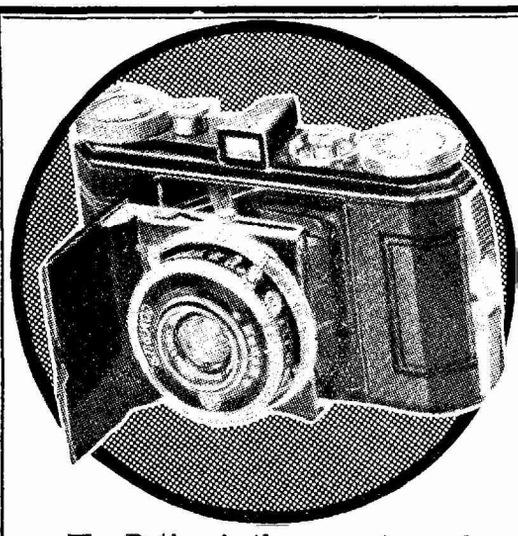
Coolie Training Expense	$ 1
Repair and Renewal of Rural Telephone Expense	3
Refugees	20
Construction of earthworks	11
	$35

(Source: *Szechuan Review*, Nos. 28, 29
Szechuan Ch'en Pao, Dec. 19, 1934

In connection with money sent to refugees it is interesting to note that at one time peasants under the rule of Yang Sen requested that no money be sent, as it was immediately taken from them by means of new taxes. This Yang Sen, incidentally, is the same general who was reprimanded by Generalissimo Chiang for continually reporting victories where he was continually being defeated by the Red Army. Since then he has been reduced from office—a thing which would have been impossible last year—and his army has been reorganized and placed in other hands.

Since Generalissimo Chiang arrived there has been much reorganizing and reduction of troops. For example, just recently the 28th Army of General Teng Hsi-chou has been changed to the 45th Army, but with General Teng still in command. Last

(*Continued on page 278*)



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The Minimum Bases for Sino-Japanese Co-operation

BY CHANG TIEN FU (張天福)

RECENTLY there has been much talk about Sino-Japanese co-operation. Gen. Chiang Kai-shek, as pledged by Gen. Chiang Tso-pin, Chinese Ambassador to Tokyo, has a sincere desire to achieve co-operation between the two countries. All Chinese without doubt harbor the same idea. Japanese, as original promotors, of such a collaboration, are surely longing heartily for its realization. Such a co-operation will bring about prosperity to both of the parties concerned, provided it is promoted and carried out sincerely and under fair conditions. Except under fair conditions there can never exist any sincere co-operation.

Unless both parties jointly and definitely set up fair conditions and have a determination to observe them under whatsoever circumstances, to talk about co-operation or to come to a realization of it will prove fruitless.

In my opinion, the following bases must be set and strictly observed as a minimum of fair conditions in order to effect a true and fruitful co-operation between the two nations:

Firstly, a basis of equality.—In other words, co-operation must be voluntary and must not be forced by one party upon another. That sincerity of co-operation does not result from compulsion, much less from dictation by one party to the other, can be perceived by any one who is of average intelligence, since compulsory co-operation will only obstruct the realization of a real co-operation.

Secondly, a basis of mutual benefit.—It is generally recognized that co-operation should work for the benefit of both parties concerned, not for that of the stronger one alone. Co-operation, if not carried out upon this basis, will be looked upon as exploitation. Accordingly, the interests of both countries must be given equal consideration.

Thirdly, a basis of political and territorial integrity.—To speak in a parable: Is it natural that A can sincerely co-operate with B, if his properties are usurped, his freedom restricted and his home affairs unreasonably interfered with by B? The same holds true as regards co-operation between countries. In order to effect real co-operation, the political and territorial integrity of China must be absolutely respected and preserved, and the status quo before the Manchurian Incident restored. Only in this way can the relations between the two countries be improved.

According to what has been mentioned above, an organization which shall be perfectly free from political or any other undue influences shall be organized and put in charge of the affairs of co-operation. Both the Chinese and Japanese governments shall leave their hands off of the said organization, as the Chinese government, which is militarily inferior to that of Japan, cannot have a fair deal with the latter. All the co-operative affairs shall be managed by experts of both nations with proper consideration as to the equality, mutual benefit, and the political and territoral integrity of both countries. The obstacles are thus removed, and a sincere, therefore fruitful, co-operation can come into existence.

The *Tokyo Jiji* opined: "How far China is sincere in dealing with Japan is undoubtledly a question, but the fact is nevertheless indisputable that the Sino-Japanese situation is gradually improving. In view of the position that Japan occupies now in the Far East, she must be expected to be patient towards China."

Japan must be expected not only to be patient but also sincere towards China, as only sincerity can call forth sincerity.

It must be, I maintain, the mission of the Chinese Investigation Commission which is leaving for Japan soon, to make the three minimum bases known to our eastern neighbor, as they constitute the only way to promote the prosperity of Japan as well as of China.

Shanghai, Oct. 20, 1935.

Rumored Devaluation of Chinese Dollars

The Shanghai *Nichinichi*, Oct. 23, said that since last week, both the Government banks of China, namely the Bank of China and the Bank of Communications, have been purchasing considerable amount of foreign exchange, including American dollars and Pounds Sterling. This is regarded as contradictory to the spirit of the Gentlemen's Agreement, which was concluded last April by Dr. T. V. Soong and several leading foreign banks here for the purpose of preventing silver leaving the country. It is reported that five million American dollars have been bought by the Bank of China, and that the Bank of Communications has purchased more than two million American dollars. This step is connected with the recent rumor to the effect that during the forthcoming sitting of the Sixth Plenary Session of the C.E.C., the Chinese authorities will devaluate the Chinese dollar 35 per cent.

"Reconstruction Through Education"

BY C. Y. W. MENG (孟長泳)

GENERAL Chiang Kai-shek, Chairman of the Military Commission, in a stirring appeal to the Szechuen people to restore "lost glory and prosperity" to the home province, urged the people to accomplish this end through a "rigid campaign of education." The Generalissimo, for his speech, chose again his favorite theme of "Reconstruction through Education," and dwelt at length on platitudes with greatest force and conviction. "If a vigorous educational program is not conscientiously carried out to train the people to become useful citizens, the future of the province can never be bright. And with Szechuen, the 'head province' of China, remaining in the backward state, construction of a new China will inevitably be delayed", said the Generalissimo.

What was said by the General is not only true in the Province of Szechuen, but it is true in all provinces. Not only is the present state of education in Szechuen very unsatisfactory, but the same is true in other provinces. Education will save not only Szechuen, but will save all other provinces. Indeed, in the development of education lies the real salvation of China today!

Importance of Education in the Development of a Nation

Those who have studied the history of Japan will realize that the growth of the Island Empire as a world power is due very much to its rapid development of education. Education, like all other things, made an entirely new start with Meiji. The early education introduced with Buddhism was fit for priests rather than for men of the world. The Tokugawa system taught boys the elements of the Chinese classics, history, law, mathematics and literature, but there was little for the common people and still less for girls. But early in 1868 students were urged to attend the schools which had been founded during the Shogunate. An Ordinance Relating to Universities, Middle and Elementary Schools was issued in 1869. In 1871 the first Department of Education was established, just a year after the establishment of a system of government education in England. The promulgation of the first "Educational Code" followed in September, 1872, and the country, exclusive of the Hokkaido and the Soochow Islands, was divided into 8 University provinces, each province with 32 Middle School Districts, and each of them with 210 Elementary School Districts. It is interesting to note that in 1873 there were over 12,000 elementary schools, 20,000 in 1874, and 28,000 in 1879. By 1906, 98% of the boys and 95% of the girls were in actual attendance!

Such is the rapid development of education in Japan, which eventually developed the Island Empire—which was once an insignificant country in the Far East, once only a coaling station for western steamers—into a world power!

China Has Smallest Percentage of Students

But when we turn our attention to education in China, it is indeed most unsatisfactory. We note that it has made very little progress all. The following table will give us some idea of the number of students in proportion to population in each country of the world :—

Countries	*Year*	*No. of students*	*Population (Per 1,000)*	*Percentage (Per 1,000 people)*
China	1933	42,710	474,787	1
U.S.A.	1932	924,275	126,013	73
Russia	1931	272,125	162,643	17
Germany	1928	151,629	63,178	24
France	1929	69,921	41,130	17
England	1931	56,725	49,019	12
Spain	1929	56,298	23,457	24
Japan	1933	55,826	62,123	9
Poland	1933	51,770	30,738	17
Italy	1931	45,260	41,154	11
Rumania	1928	31,308	17,393	18
Austria	1928	25,477	6,705	38
Hungary	1930	14,630	8,680	17
Switzerland	1930	11,388	4,067	28
Holland	1929	10,965	7,832	14
Sweden	1930	9,808	6,130	16
Denmark	1931	8,521	3,551	24
Australia	1930	8,316	6,397	13
S. Africa	1930	6,802	1,790	38
Portugal	1928	6,033	6,033	10
Norway	1929	4,335	2,890	15
Belgium	1933	4,225	7,932	5
Turkey	1928	4,095	13,648	3
Finland	1929	75	217	3

From the above it will be seen that among all countries in the world, China has the smallest percentage of students in proportion to the population.

The following table will give us some idea about the number of students in proportion to the population in each Province in China :—

Provinces	*No. of Students*	*Population (Per 1,000)*	*Percentage (Per 1,000,000)*
Kiangsu	7,122	34,126	209
Kwangtung	6,072	32,428	187
Hopei	4,142	31,232	132
Chekiang	3,562	20,628	173
Szechuen	2,853	47,992	60
Shensi	2,250	12,288	183
Anhwei	1,901	21,715	88
Fukien	1,866	10,071	186
Hunan	1,811	31,501	57
Liaoning	1,756	15,233	115
Shantung	1,659	28,672	54
Kiangsi	1,376	20,323	69
Hupei	1,350	26,699	51
Honan	1,333	30,566	44
Kwangsi	1,274	13,648	94
Kirin	1,567	76,345	74
Heilungkiang	338	3,725	91
Yunnan	320	13,821	23
Shansi	236	11,803	20
Kweichow	204	14,746	14
Kansu	199	6,281	23
Chahar	132	1,997	65
Suiyuan	78	2,124	37
Jehol	68	6,593	10
Sinkiang	55	2,552	20
Tibet	51	3,722	14
Chinghai	42	6,195	7
Ninghsia	20	1,500	13
Mongolia	11	6,160	2
Sikang	7	8,906	1

From the above it will be seen that with the exception of Kiangsu, Kwangtung, Fukien, Kiangsi, Hopei and Liaoning, about one-third of the provinces has less than 100 students or every million people, while another one-third has practically no students at all!

The following table will give us some idea about the number of schools in China :—

Provinces or Municipalities	*Number of Universities*	*Colleges*	*Technical Schools*	*Total Number*
Shanghai	10	8	6	24
Peiping	7	5	2	14
Kwangtung	4	2	1	7
Hopei	1	6	1	8
Hupei	3	1	2	6
Shensi	1	2	3	6
Kiangsu	—	2	3	5
Chekiang	1	1	2	4
Fukien	1	3	—	4
Nanking	2	1	1	4
Kiangsi	—	—	3	3
Honan	1	1	1	3
Shantung	2	—	1	3
Hunan	1	1	—	2
Liaoning	2	—	—	2
Kwangsi	1	—	—	1
Yunnan	1	—	—	1
Anhwei	1	—	—	1
Szechuen	1	—	- -	1
Sinkiang	—	1	-	1
Kansu	—	1	—	1
Kirin	1	—	—	1
Charhar	—	—	1	1
Shansi	—	—	1	1

From the above the "inadequacy," "poor distribution of schools throughout the country" and "too heavy concentration of schools in Shanghai"—a place quite unfit to be the educational center in China—are glaringly seen. Out of 24 Provinces and Municipalities mentioned above, about half have only one school, while the Provinces of Jehol, Suiyuan, Keichow, Chinhai, Sikang, Heilungkaing and Ninghsia, and Tibet and Mongolia, have no technical school at all. Under such circumstances no one should expect China to produce more technical experts.

The following table will give us some idea about free education for children in China :—

Provinces or Municipalities	*No. of Children*	*No. of Children Receiving free education*	*Percentage*
Kiangsu	5,344,263	687,024	22.16%
Chekiang	2,028,134	681,034	33.57%
Anhwei	2,171,540	200,426	9.23%
Kiangsi	2,337,126	207 445	8.87%
Fukien	1,007,114	210,441	20.90%
Kwangtung	3,242,765	1,098,965	33.89%
Kwangsi	1,364,820	548,615	40.12%
Hunan	3,969,153	966,740	24.36%
Hupei	2,322,824	173,445	7.46%
Szechuen	4,799,238	874,926	18.23%
Sikang	890,643	1,358	0.15%

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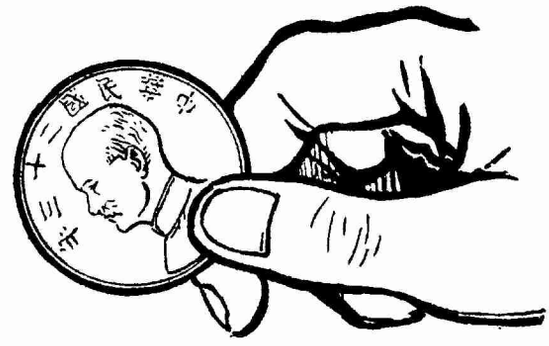

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Heilungkiang	502,840	73,873	14.69%
Hopei	3,643,716	1,139,067	31.26%
Honan	2,829,936	778,140	27.50%
Shantung	4,124,798	1,210,999	29.35%
Shensi	1,390,769	803,831	57.79%
Shansi	1,307,695	272,061	20.80%
Kansu	628,128	88,514	14.09%
Ninghsia	144,987	8,152	5.62%
Suiyuan	174,759	27,557	15.76%
Chahar	195,994	89,319	45.57%
Jehol	659,344	28,334	4.44%
Chinghai	619,506	32,843	5.30%
Sinkiang	183,725	7,162	3.89%
Nanking	65,395	18,105	27.69%
Shanghai	182,399	123,984	67.97%
Peiping	148,836	26,140	17.56%
Tsingtao	39,082	19,255	49.27%
Weihaiwei	19,998	10,304	51.52%
Mongolia	616,011	———	———
Tibet	372,201	———	———

From the above it will be seen that Nanking has by no means taken the lead in giving free education to children. Further, only a very small minority of children are receiving the benefit of free education given by the State.

Chinese Educators—Poor Work

It is because of such unsatisfactory state of education, that the General proposed to launch another campaign on "Reconstruction by Education." Indeed, when we compare our progress in education with that in Japan where 98% of boys and 95% of girls are in attendance at schools,—or in Russia, where enormons strides have been made in removing illiteracy in less than 20 years after the revolution—we can not but admit that the educators in China have done poor work for the country. So the General's proposal to launch a "campaign" is both timely and imperative!

An "Educational Code" for China Suggested

While we agree wholeheartedly with our Generalissimo in his proposal to reconstruct the country through a rigid campaign of education, we would suggest that the first step to be taken is to have an "educational code," which should provide for the immediate enforcement of compulsory education for both sexes, and the giving of more free and mass education to the people; and which should reform and improve the present educational system so as to make it meet the needs of the time and render it more in conformity with present conditions. The study of the Chinese language, history, geography and "Chinese foreign relations" should be made compulsory in schools or colleges. Therefore, the revision of text books for schools to eliminate the parts referring to "national humiliations," so that the students could not be impressed with the sense of national humiliation during their young days, can hardly be agreed to by us. The Chinese Educational Code should state the purpose of our education: That is: on one hand, it is to remove illiteracy in the country at the earliest possible time, and to increase the intelligence power of the people. These are indeed indispensable conditions for a democratic form of government. The aim should also be to make every graduate a "ready product" to serve the Nation and to make the Chinese masses more "nationalistic" and "public-spirited". Thus, in the time of crisis, China could hope that "every citizen would do his (or her) duty!"

Nanking, Oct. 17 1935.

Erroneous Report About Mayor of Hankow Corrected

C. Y. W. Meng, *The Review's* correspondent at Nanking, writes that the statement contained in his article last week on the situation at Hankow that the Mayor of said city (C. K. Wu) was reported to be scheduled for dismissal, is not true.

A. T. & T. Works on Plan to Inaugurate Direct Phone Service Between Shanghai and U.S.

Inauguration of direct telephone service between Shanghai and the United States is forecast by the American Telephone & Telegraph Co. as soon as certain replacements occur in the Shanghai technical equipment. The A. T. & T. announces that the equipment for the United States end of the line had been completed and had proved successful in numerous tests. Shanghai, however, is not yet fully prepared to commence on a permanent commercial basis.

Manchurian Bandits Kill 25 Japanese Soldiers

Fourteen Japanese soldiers were killed and 13 others, including a captain, were wounded in a fierce encounter with bandits 12 kilometers south of Tayuten, Kirin province, on the evening of Oct. 19. The combat, which lasted two hours, ended in the flight of the band of outlaws, who were estimated at 250 men.

In an encounter north of Wuchang on the Harbin-Lafa Railway Oct. 13, five Japanese soldiers, including Lieutenant Umehashi, were killed and four others wounded when a force under Lieutenant Umehashi was engaged in repulsing a group of 200 bandits.

It was also reported that Sergeant Noto was killed and five other Japanese soldiers wounded when another Japanese force routed a group of approximately 200 outlaws about the some date at a point four kilometers northeast of Suilenghsien, Pinchiang Province.

Manchukuo Introduces New Military Training System

In preparation for the introduction of universal conscription, the Third Military District Headquarters of the Manchukuo Army in Tsitsihar Oct. 21 announced the introduction of a new system of training of rural youths. The recruits will consist of two or three youths chosen from each hsien in the district and will be given military training for one year and instruction in agriculture during the following twelve-month period. After discharge, these young men will become community leaders in their various villages aiding in the development of agriculture and taking key positions in the defense of their hamlets in the case of a bandit attack, military authorities hope. About 1,000 boys are expected to be enrolled each year.

Huge Salt Combine Planned for Manchukuo

Establishment of a $5,000,000 company, which besides cornering the production and sale of industrial salt in Manchukuo would have a monoply on the exportation of the product to Japan, was decided upon in Hsinking Oct. 19 as the outcome of a three-day conference among officials of the Kwantung Army, the Manchukuo Ministries of Finance and of Industry and other interested parties. According to the plans which have been drawn up the firm will produced 300,000 tons of salt a year. The Manchukuo government will invest 1,250,000 in the new concern, the balance of the shares being divided among the Oriental Development Company, the Dai Nippon Salt Industry Company, the South Manchuria Railway Company, the Asahi Glass Company, the Nippon Soda Company and Bleaching Powder Manufacturing Company.

Sugar Monopoly to Be Organized in Manchuria

A sugar monopoly is about to be organized in Manchukuo by a Yen 10,000,000 joint Japanese-Manchukuo concern, which has secured a license in Hsinking to manufacture sugar. The formation of the new firm is the outcome of a proposal made last year by the Manchukuo Government to the Japan Sugar Industry Association, aiming at the creation of a monopoly in the new State. More than 60 per cent of the shares will be acquired by Japanese investors. A total of 100,000 shares will be divided equally among the four leading Japanese sugar companies, members of the Association. Five thousand shares will be bought by the South Seas Development Company, and an undetermined number by the sponsors of the concern, including Hatsutaro Akashi, President of the Akashi Mining Company and the Formosa Camphor Company.

The Manchukuo Government's investment will amount to between 70,000 and 80,000 shares. Twenty thousand shares will be sold in the open market.

Japanese Make Wholesale Arrests of Chinese in Mukden

Wholesale arrests of Chinese Christians in Mukden and search of houses of British residents by Japanese police and gendarmes are reported to have taken place last week, according to foreign despatches received in Peiping. Altogether, it is stated, 60 people were arrested, including Chinese doctors and nurses of the Irish Presbyterian Mission, employees of the British-American Tobacco Company, the compradore of the Hongkong & Shanghai Bank, and Chinese pastors, teachers and girl students of a school run by the Mission. These arrests were followed by the Japanese police searching the houses of the British staff of the British-American Tobacco Company.

All the people arrested are members of Yi Fen Hui, or the "One Cent Society," a philanthropic organization, the members of which contribute a cent daily for the education of poor students. The Japanese appear to be suspicious of the organization, and in the charges against the arrested persons the society is alleged to be communist in character. All those taken into custody are Christians, connected either with the Y.M.C.A. or the Irish Mission.

Official statements as to the cause of these raids are not available and Japanese authorities when questioned professed entire ignorance of the matter, but Japanese in the employ of the Manchukuo police are understood to have stated, to interested foreign authorities, that the gendermes were in charge of the whole affair and would not permit any information to be given out.

Those involved include a foreign-educated doctor in the old city; a Chinese, Christian pastor, prominent in Y.M.C.A. work; Chinese employees of the Chi Tung Tobacco Co., Manchurian subsidiary of the B.A.T. Co.; five doctors, two male nurses and one technician from the Mukden Hospital, Missionary medical centre. The assistant compradore of the Hongkong & Shanghai Banking Corporation; teachers in the middle school, maintained by British missions; two Chinese from the British Cigarette Company's Mukden factory; pupils from a mission school for girls, and the steward from the International Golf Club.

There is good reason to believe that the arrests of Chinese Christians in Mukden and the invasion of the premises of foreigners (mostly British) was a reflex of the publication in *The Review* of Oct. 12 (reprinted from the *Chinese Recorder* for October) of the article "Ash Heaps of Manchuria—Where Japanese Dump Their Chinese Dope Victims"—accompanied by gruesome photographs. The information in the article was based on an "Open Letter to My Friends, the People of Japan," written by Miss Muriel Lester, well known English social worker, who spent considerable time investigating the operation and results of the Japanese Opium Monopoly in Manchuria. We are informed that there was a considerable demand from Japanese for copies of the *Chinese Recorder* containing Miss Lester's letter.

Manchurian Police Molest Soviet Citizens Living in Manchuria

Repórts received in Mosow from Khabarovsk state that Japano-Manchurian police authorities and the Japanese gendarmery in Manchuria with the active participation of Russian whiteguards working for them, have been intensifying their unlawful persecutions of Soviet citizens residing in Manchuria, lately. Without any reasons, these Japanese, Manchurians and whiteguards again and again make the rounds of the homes of Soviet citizens, scbjecting them to lengthy examinations, threatening them with arrests and beatings and extorting bribes. Searches and groundless arrests have become frequent occurrences. Among those so taken into custody were M. Kolpakchy, a Soviet citizen and publisher of the newspaper *Novosti Vostoka*, M. Orlov, editor of the paper, and others. They were held in prison without any charges and were also subjected to cruel beatings.

Rioting in Zone Prelude to "Self-Government" Move?

Scores of men were killed and injured in a melee which started Oct. 21 when thousands of people besieged the office of the magistrate at Hsiangho Hsien (22 miles southeast of Tungchow) in the "demilitarized" zone, pleading for relief. The officials sought to disperse the mob by peaceful means, and when that proved ineffective, police were called out, with the result above stated. The trouble began the previous day when groups of farmers trickled into Hsiangho-hsien and surrounded the magistrate's residence. The official narrowly escaped being manhandled by the mob, who retreated only when the police fired volleys, killing "a score or more," the reports said.

A small Japanese detachment, commanded by Lieut. Kanji Ohki, arrived on the scene Oct. 22 whereupon the rioting farmers decided to lay down their arms and elect a new magistrate. The Japanese gendarmes arrested six Japanese plain-clothes men, who are supposed to be implicated in the affair, who, after being searched and cross-examined, were sent under guard to Tientsin. An Hao-chi, former Chairman of the Peiping Chamber of Commerce and an official with service dating back to the days of the Empire, was chosen by the rioters to head the hsien. He succeeded Chao Hsi-yuan, who had telegraphed to Peiping for instructions regarding this matter and asking that troops be dispatched to disperse the rioting crowds. The Japanese detachment, consisting of only 20 men, had considerable difficulty in pacifying the embattled farmers, who had barricaded themselves behind the bodies of their comrades, who had been slain the previous day by peace preservation officers. Martial law was temporarity declared over a wide area south of Tungchow, 15 miles east of Peiping. The trouble began last Sunday, when groups of farmers trickled into Hsiangho-hsien and surrounded the magistrate's yamen, pleading for relief from high taxes.

Driven to desperation by the burden of exorbitant taxes, over a thousand peasants in Lanchiying and Yushukou, outside the Lowenku Pass of the Great Wall, have armed themselves with knives and clubs in an open revolt against the local authorities, according to a messages received at Tientsin. The tax bureaus in these towns were torn dowr by the rioters and the tax collectors have taken to flight.

Gen. Shang Chen, chairman of the Hopei provincial Government, Oct. 23 announced he would send the second company of the 125th Regiment, stationed at Tungchow, to enforce

martial law in Hsianho Hsien. Thereupon a spokesman for the headquarters of the Japanese forces in North China said "a delicate situation" would follow attempts of Gen. Shang to settle the farmer riots by force; however the Japanese military would not interfere with the disturbances "so long as tley are being conducted by the Chinese themselves."

A War Ministry spokesman in Tokyo said that "serious thought should be give to the situation which has arisen in the militarized zone if it is the outcome of a spontaneous wish of the people of North China for self government."

Anti-Tax Movement Spreads Over Hopei

The cry of protest against oppressive taxation raised earlier this week by the farmers of Hsiangho hsien is being re-echoed in numerous districts throughout Hopei Province. Changping Hsien, 40 miles northeast of Peiping, was the scene of riots equalling in severity the battles of Hsiangho. All efforts to disperse farmers surrounding the magistrate's yamen with demands for tax slashes have proved of no avail, *Rengo* states.

Semi-Weekly Plane Service Opened Between Chungking and Yunnan

The Ford tri-motor plane of the C.N.A.C. (the "Kunm ing") which recently made the flight from Yunnanfu to Shanghai in just a little over 24 hours, including a night's stop at Hankow, returned to Yunnanfu Sept. 28, having made the whole trip in thirteen hours. Stops for refueling were made at Hankow, Chungking, and Kweiyang. Beginning Sept. 28 the "Kunming"-has been based at Yunnanfu and makes the trip to Chungking twice a week.

Japanese Airdrome in Dolonor to Be Used for Commercial Purposes

The repair work on the Japanese Military airdrome in Dolonor has been completed. It is being used for commercial purposes with the inauguration of the airmail service in Manchuria this month.

Molokov Makes Daring Arctic Flights in Heavy Airplane

The Soviet pilot Molokov has made a trip over a distance of 13 thousand kilometers in the Arctics. Piloting a heavy airplane, Molokov flew from Yakutsk over the Yablonov mountain range to Nogayevo and Cape Schmidt and then made a flight over the Laptev Sea, visiting Wrangel Island and making an ice survey in that region. *Tass* says this is the first flight in a heavy airplane to be made in this region and the entire task was accomplished brilliantly by Molokov.

Memorial Services Held in Chengtu for Officers Killed in Plane Accidents

An impressive memorial service in honor of the 10 dead officers and men of the Air Force, who were killed in various encounters against the "Reds," was held in Chengtu Oct. 16 before a gathering of 10,000 people. General Ku Chu-tung, Director of the Provisional Headquaters of the President of the Military Affairs Commission; Yang Yung-tai, Chief Secretary of the Provisional Headquarters; Lieut.-General Ho Kuo-kwang, Chief of the General Staff Corps of the Provisional Headquarters, and General Liu Hsiang, chairman of the Szechuan Provincial Government, were among those present. After depositing wreaths, General Ku read a tribute by General Chiang Kai-shek. During the ceremony, a dozen airplanes circled over the city scattering handbills.

Hsinking-Seishin Air Route Will Clip 15 Hours off Japan-Manchukuo Trip

Fifteen hours will be clipped off the time required for travel from the Western coast of Japan proper to the Manchukuo capital with the opening on Dec. 3 of a new air-route between Hsinking and Seishin in Northeastern Korea.

Japanese Planes Race With African War Picutres

The two principal daily newspapers in Japan, the *Asahi* and the *Mainichi*, both sent airplanes to Manchuli to meet the Siberian express which arrived there Oct. 18. The first pictures of the Italo-Ethiopian war had been mailed from Europe to said station and the planes raced from there to Japan with the pictures. The *Asahi* plane won out by a day.

Bids Opened at Washington for Trans-Pacific Air Mail

Bids were opened in Washington Oct. 21 for the trans-Pacific air mail service. Officials of the United States Chamber of Commerce declared that business men in the United States and in the Far East would benefit tremendously by the saving of time that will be effected by the speedy transmission of bills of lading, money, etc.

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Japanese Press Mongolians to Accept Manchukuo Proposals

Negotiations still continue at Manchuli, between the delegations from Outer Mongolia and Manchukuo on the question concerning the creation of a mixed commission for the settlement of frontier conflicts and the exchange of authorized representatives on the frontier.

The Mongolian delegation has proposed that each side appoint one frontier representative under the condition that the Mongolian representative resides permanently in Manchuli station while the Manchurian representative resides in Tamsyksume in Outer Mongolia and that each of these representatives, together with representatives of the local authorities should form a primary commission to which all conflicts arising from the corresponding sections of the Mongolian-Manchurian frontier are to be sent for solution.

According to the Mongolian proposal, the frontier should be divided into two large sections and, dependent upon the place of conflict, the question should be decided either in Tamsyksume or in Manchuli.

The Mongolian proposal further provides that in case these two primary commissions are unable to solve the conflict, the conflict is to be referred for final solution to a mixed frontier commission consisting of the above mentioned frontier represerentatives of the Governments of Outer Mongolia and Manchuria.

The Manchurian delegation is, however, decisively objecting to the Mongolian proposal and has once again advanced the proposal which was rejected by the Mongolian Government in August 1935 during previous negotiations at Manchuli regarding the appointment by eacn side of three representatives.

Japanese Delegate Tries to Bully Mongolian Delegates

Tass messages from Moscow relate that M. Kanik, the Japanese representative at the Manchuli Conference, is striving to beat his own records for enriching the history of diplomacy by new methods of conducting negotiations. He continued his former threats Oct. 20 that, should the Mongolian delegation not accept the Manchurian proposals, the Manchurians will be compelled to take "other measures" and as a result "something serious" may occur on the frontier; further should the Mongolian National Republic not yield, the conflicts will have to be solved "not by peaceful means but by means of violence." It is related that the Mongolian delegates did not lose their composure or dignified self-possession when confronted by these threats.

A spokesman of the Tokyo Foreign Office in reply to a foreign correspondent's question on the Manchukuo-Outer-Mongolian negotiations at Manchuli, stated Oct. 21, that "A cloak of mystery shrouds Outer Mongolia, on whose door Manchukuo is knocking just as Commodore Matthew Calbraith Perry knocked on Japan's doors eighty years ago." He added that he had no information regarding the threatening statements, which, according to *Tass*, Mr. Kanki, head of the Manchukuo delegation, was said to be making to the Mongolian delegates.

"Manchukuo's idea is to introduce Outer Mongolia to the outside world, for the latter country still remains a land of mystery to all but Soviet Russia. Even Chinese consuls cannot enter Outer Mongolia without Soviet permission, although nominally it is still Chinese territory," the spokesman added.

Manchukuo to Make Proposal to Settle Frontier Incident

A *Rengo* message from Hsinking Oct. 22 announcing that an important proposal dealing with the delineation of Soviet-Manchukuo frontiers would be made to Moscow by the Hsinking Government said that these proposals would be made after consultation with the Japanese Kwantung Army.

A *Reuter* message from Chngchun Oct. 22 stated that it was understood that the Manchukuo Government, in view of the frequent outbreaks of "frontier incidents," will make important proposals to Soviet Russia following consultations with the Kwantung military authorities. The Kwantung Army headquarters spokesman inform ed newspapermen that, in this opinion, both Manchukuo and Soviet Russia should take adequate measures to prevent and settle incidents caused by the uncertainty of frontier demarcations. The spokesman said that, if Soviet Russia sincerely desired to eradicate the cause of such disputes, the Kwantung Army would support the rej orted Soviet proposals for the establishment of a joint commission to settle outstanding incidents.

The spokesman, however, deplored the attitude of the Soviet authorities in seeking to justify Soviet action in every frontier dispute and shifting the blame to either Japan or Manchukuo. He emphasized that the Kwantung Army was deeply concerned with safe-guarding the frontier for Manchukuo, and that Japan was under obligation to maintain peace and order in Manchukuo.

London Report Suggests that Gareth Jones Was Kidnapped with Japanese Connivance

Recent advices from London state that Lloyd George is supicious that the kidnapping of the late Gareth Jones was due to Japanese initiative. The story as published in London alleged that Jones and Mueller, his German companion, stumbled on the early stages of a Japanese attempt to repeat the Chahar coup, which began when Manchuria was invaded in 1931. Jones and Mueller arrived at Dolonor on July 25, and allegedly found the place decorated with flags, and that the Japanese-controlled independent Government was supported by a full mechanized brigade of Japanese troops. Astonished, they visited Japanese headquarters, where they found an Indian who explained that he was the head of the Pan-Asiatic League, a Japanese organization for the extension of Japanese dominance in Asia. After leaving the headquarters, they found a notice board on which was written "Headquarters of the Autonomous Government of East Chahar." They were then arrested on suspicion of espionage, and examined by Japanese officers, who told them they must not leave the hotel while at Dolonor. When they departed they had the choice of three roads, according to the story published in London, and the Japanese strongly recommended one of them. They took it and were captured by bandits, who were allegedly strangers to Chahar, and had to ask their way about. They allegedly told Mueller they were not bandits, but Chinese Nationalists recruited from Jehol by Japanese who retained their families under control as hostages for the good behavior of their hired bandits. They had been brought to Chahar and ordered to travel for making disturbances.

Thus, alleged the London story, Mr. Jones was kidnapped because he found the secret of the next Japanese drive, and was murdered in the Japanese sphere of influence. No ransom was ever collected.

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Рис. Бор. Ефимова.

—*Izvestia, Moscow*

The Japanese jumping the bars holds in his left hand a poster headed *Shunbun Rengo News Agency*, with the legend below: "Statement of the imminent inclusion of Sinkiang province into the Soviet domain." The bars below show the record of other alleged liars.

Shen Shih-tsai and Li Yung Deny Rumors of Independence of Sinkiang

General Shen Shih-tsai and Li Yung, Commissioner of Defence of Sinkiang and Chairman of the Sinkiang Provincial Government respectively, in a telegram Oct. 15 reiterated their loyalty to the Central Government and denied the rumors regarding the sovietization of Sinkiang. In the telegram, General Shen and Mr. Li declared that these rumors are being circulated by certain people in order to prevent the unification of China and to stop Chinese officials from cooperating closely for the improvement of the nation. The Sinkiang authorities urge the people not to pay any attention to such rumors and declare that the relationship between Sinkiang and the USSR is based on the terms of an agreement which the Chinese and Soviet Governments signed for the re-establishment of diplomatic relations between the two countries. Sinkiang is maintaining a commercial relationship with the USSR for the development of trade and friendly relations with China's neighbors.

Miniature Russo-Japanese War Is Staged on Manchurian Border

A *Tass* message from Moscow Oct. 20 stated that additional reports had been received there from Khabarovsk regarding the frontier clash which took place on Octobor 12, to the effect that the Japano-Manchurian detachment consisting of up to 40 men, crossed the Soviet frontier in the district of Novoalexeevka, 25 kilometers northwest of Grodekovo, at a spot where the frontier is distinctly marked by a straight line between two frontier posts, two kilometers from frontier Post No. 20, and advanced along the road leading east to Novoalexeevka, penetrating Soviet territory, not for one kilometer as previously reported, but for 2.3 kilometers. The two Soviet mounted frontier guards who met them began signaling them that they were on Soviet territoy; however, the Japan-Manchurian detachment nont only ignored the signals but opened fire on the frontier guards and attempted to detain them.

Two Soviet patrols, made up of 18 men, who hurried to assist their comrades, were also met by rifle and machine gun fire by the Japano-Manchurian detachment, which spread out into battle formation. In accordance with service regulations, the Soviet guards returned the fire and forced the Japano-Manchurian detachment to retreat into Manchurian territory In the clash the Soviet section commander, Kotelnikov, was killed and assistant commander of the outpost, Vlag, and frontier guard, Demchuk, were wounded.

Soviet Collective Farmers Being Given Permanent Deeds to Land

Tass states that during the current year more than 123,000 collective farms are being given State deeds entitling them to the use of the land for an unlimited time forever. The model constitution of collective farms says that "the land occupied by the artel (as is any other land in the U.S.S.R.) is the property of the people's State. In accordance with the law of the Workers' and Peasants' State, the land is made secure to the artel for its use for an unlimited time, that is forever, and is subject neither to purchase, nor to sale, or to lease by the artel." No one may cut off a single square meter of the collective farm land; the boundaries of the collective farms can only be extended.

Great Cultural Progress Recorded in North Eastern Siberia

A *Tass* message from Vladivostock point out that about 65,000 people belonging to 21 nationalities inhabit the shores of the North Sea, the Pacific Behring and Okhotsk seas. In 1915 only 18 schools "for aliens" with an enrollment of 328, existed in the entire north-east of the Far Eastern Region. Together with Russian schools there were 28 schools in all throughout the region. By 1935, the number of schools had reached 220. The elimination of illiteracy among the adult population is making speedy progress. Many nationalities which previously had no written language of their own now publish papers in their native tongues. In the village of Maikhin, the center of the Nanai region, a newspaper is published in the Nivkhi language. Newspapers are also published in the Evenki, Koryak, Chukotsk and other languages.

Eleven Medical Schools to Be Opened in Soviet Far Eastern Region

Eleven medical secondary school are about to be opened in the Far Eastern region of the USSR. These include the first medical and technical school in the Jewish Autonomous Province of Birobidgan.

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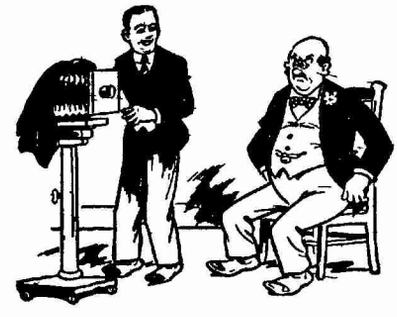

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74-307

South-China Politicians Threaten Separation But Lack Sufficient Backing

BY THE REVIEW'S SOUTH CHINA CORRESPONDENT

THE political situation in South China is becoming interesting again with the return from Siam of Hsiao Fu-chen (a leading member of the Canton South-west Political Council who is known for his anti-Japan and anti-Chiang Kai-shek attitude in all his policies) and the crop of rumors that, with the support of Hsiao Fu-chen and others, Canton is about to start another separatist movement similar to the independence movement of 1931.

To understand the present complicated situation in South China and its relations with Nanking, it may be necessary to recall some of the political happenings of 1931. In this latter year General Chen Chi-tang (the strong man of South China and virtually commander-in-chief of all Kwantung and Kwangsi armies) with the assistance of China's foremost leaders such as Wang Ching-wei (now President of the Executive Yuan and concurrently Foreign Minister in Nanking), Hu Han-min (bitter political enemy of General Chiang Kai-shek now in exile in Germany recuperating after his recent long illness), Sun Fo, Eugene Chen (who was Nanking's Foreign Minister for a brief period early in 1932) and scores of others, organized the "Enlarged Kuomintang Session in Canton," which had only one aim, viz., the overthrowing the administration of Chiang Kai-shek.

Just as this independence movement was assuming a country-wide scope and when even powerful leaders in North China such as Generals Feng Yu-hsiang and Yen Hsi-shan were voicing their support of the Canton movement, the Manchurian crisis occurred in September the same year. The Canton movement was at once eclipsed by this national issue and as the anti-Japanese volunteers' warfare in Heilungkiang and elsewhere in Manchuria was attracting overwhelming public attention,there was a strong sentiment demanding peace between Canton and Nanking. The movement terminated abruptly wher Messrs. Wang Ching-wei, Sun Fo, Eugene Chen and others were recalled to occupy the highest posts in Nanking towards the end of 1931 after the successful Shanghai peace conference.

Gen. Chen Chi-tang Spent Small Fortune

To the Canton military commanders the whole movement was a big disappointment, although to other politicians it was an opportunity to regain their lost power in Nanking. It is estimated that General Chen Chi-tang spent from his own bank account something like $1,200,000 to finance the "Enlarged Kuomintang Session" as a way to bring about the exit from Nanking of Chiang Kai-shek. It is said that Canton's military group gained absolutely nothing from this short-lived independence movement, but has aroused the suspicion of Nanking even until today.

But there were certain politicians who opposed Chiang Kai-shek in 1931 and who had refused to return to Nanking. In this category is included Hsiao Fu-chen, V. Chow Lu, Liu Chi-wen (Mayor of Canton), Huang Chi-lu (member of the South-west Political Council) and others. It is this small group of politicians who are now propagandizing for another independence attempt.

So far none of Nanking's leaders was singled out by the anti-Chiang Kai-shek politicians for adverse criticisms, but Hsiao Fu-chen made some frank remarks about Nanking's abolition of the Kuomintang activities in Peiping, Tientsin, Chahar, Suiyuan and Tsingtao, which Mr. Hsiao considered to be acts in violation of Kuomintang doctrines. He stated that such a policy of the Nanking Government could only lead to the final destruction of the Kuomintang, in the welfare and progress of which General Chiang Kai-shek had long ago abandoned interest. After denouncing Nanking's pro-Japanese policy, Hsiao Fu-chen concluded by saying that Sino-Japansee co-operation was only possible on a basis of peace and equality.

Regarding Nanking's convocation of the Fifth Kuomintang National Congress in November, Canton insists that the congress agenda include the South-west's proposals made in August 1934 for political readjustment at home and formation of a concrete foreign policy. If Nanking rejects these Canton proposals of 1934, the politicians threaten to open a separate congress in Canton as they did in 1931.

From well informed circles the writer learns that however loudly the long-coat politicians' clamor for a separatist movement may be, events in 1931 have taught General Chen Chi-tang a good lesson and the Canton generalissimo is not likely to risk another $1,200,000. But money is not the only factor for it must be remembered that a separate congress in Canton requires a quorum. With Hu Han-min's absence in Europe and Wang Ching-wei and Sun Fo in Nanking, it is extremely doubtful if sufficient political backing could be gathered for a separate congress in the South-west. After all, the politicians' bitter comments on Chiang may only be diplomatic maneuvers for assuring their re-election on the important Kuomintang committees during the forthcoming Fifth National Congress.

The Original Japanese Demands at Swatow

Chinese reports from South China, previous to the settlement of the rice smuggling incidents at Swatow, stated that the Japanese had presented ten demands to the Swatow authorities. Foremost among the demands was the suggestion for the establishment of a Japanese settlement in Swatow. Next in importance came the Nippon proposal to create special Japanese free trade areas in Tsing Hoi, Chiu-an, Chiu-yang and Kityang. The third demand asked for the immediate dismissal by Canton of the Chinese Magistrate at Kiytang, who had been responsible for the seizure and confiscation of some consignment of smuggled rice, which was allegedly owned by Japanese firms. Incidentally the Japanese also requested the Swatow officials to make compensation to the Formosan rice owners, whose cargoes had been "wrongfully held with resultant loss of profits." The exact amount of compensation demanded was not mentioned by this Chinese report, which, however, added that the Japanese also wanted an assurance from the Chinese Government that in future when Japanese or Formosans imported rice into Swatow they would pay only the maritime duties. Such native duty or special rice duty as was imposed by the Canton provincial government for the whole of Kwangtung, it was demanded, should not be paid.

The same correspondent writing from Swatow said that the Chinese Government in both Swatow and Canton had remained firm in their stand against these demands with the exception of the second demand for the creation of free trade areas in four districts near Swatow. In this connection the Swatow Mayor was quoted as having told the Japanese that the Chinese Government would welcome Japanese trading in Tsing Hoi, Chiu-an, Chiu-yang and Kityang, provided that in importing goods from either Japan or other foreign countries, the regulations for tax payment as imposed by the Chinese Maritime Customs and the native customs of Canton were complied with.

New Chinese Land Commissioner Will Try to Make Land a Liquid Asset Again

Due to the resignation of Chin Li-jen, the Commissioner of of land of the Greater Shanghai Municipal Government, J. K. Choy, Commissioner of Finance, has been appointed by Mayor Wu Te-chen to take over the post concurrently. Referring to real estate as part of the economic and financial foundation of Shanghai, Mr. Choy in an interview with *Kuo Min* said: "If real estate can be made negotiable and again restored as security for loans, part of the financial problems of the market will be solved. The Land Bureau will do everything possible in the future to make land a a liquid asset again; and the process of registration and transfer of title-deeds will be simplified and speeded up hereafter. I will offer every facility, and even stretch the present Land Regulations whenever possible within the authority vested in me, to help the market to effect a speedy solution of the vexed land problems affecting the whole community. Since the establishment of the Land Bureau, no doubt there have accumulated many unsettled cases of land registration and transfers pending investigation and adjustment. Future applications for registration or transfer of title-deeds will be promptly attended to, but holders of title-deeds should at the same time cooperate with the Government in bearing their financial share for municipal services rendered. They should not expect to enjoy municipal privileges at the expense of the whole community by hiding, for instance, behind the skirts of extra-territoriality. Land-owners may feel assured that all their equitable and legal rights will be respected and protected. My policy will be to assist the public in every way possible. Red tape and obsolete procedure in handling official business will be done away with by the introduction of beneficial changes."

U.S. State Department Say There Are 29,067 Americans Living in Asia

The State Department has issued a report showing that 409,306 citizens of the United States are at present living abroad. More than half the total, 222,020, are domiciled in Canada, while one of the smallest American communities abroad is in Ethiopia, with a total of 130.

Italy is the most popular European country for Americans, 31,572 residing there. In Asia there are living 29,067 Americans.

Turkey to Abolish All Masonic Lodges

The Turkish Government has decided to abolish all Masonic lodges in the country on the ground that Masonic principles are incompatible with a nationalistic policy.

74-308

Shanghai Wins First Prizes at National Athletic Meet

After ten days' of hard-fought contests, the 6th National Athletic Meet was formally terminated at the Stadium in the Kiangwan Civic Centre Oct. 20. The ceremony was presided over by Dr. Wang Shih-chieh, Minister of Education and Chairman of the Meet Committee, and attended by a number of Government officials including Sun Fo, President of the Legislative Yuan; Dr. H. H. Kung, Minister of Finance; General Wu Te-chen, Mayor of Greater Shanghai; Dr. Chu Min-i, Secretary-General of the Executive Yuan; and Dr. C. T. Wang, former Minister of Foreign Affairs and President of the Board of Directors of the China National Amateur Athletic Federation.

In a farewell address to the athletes, Minister Wang, after expressing gratification over the results of the contests in the past ten days, pointed out, in particular, three things:

Firstly, he said, absolute discipline should be observed by the athletes. While due attention is being given to physical culture, the moral and intellectual aspects must not fail to receive consideration.

Secondly, he expressed gratification over the progress made by the girl athletes at the Meet. He hoped that they would continue their efforts, so as to improve the physique of Chinese womanhood. Lastly, Minister Wang thanked the officials for their careful preparations for the Meet, which was more elaborate and extensive than previous ones.

After bidding *bon voyage* to the athletes who left Shanghai immediately, Minister Wang proposed that a telegraphic message be despatched, in the name of the 6th National Athletic Meet, to General Chiang Kai-shek, in appreciation for his efforts in suppressing the Communist bandits in Szechuan. The proposal was greeted by loud cheers and applause from all parts of the Stadium.

The message recalled that the 6th National Athletic Meet, convened for 10 days, with 3,000 athletes in participation, and expressed regret that General Chiang had not been able to attend the Meet personally—on account of pressure of official duties.

Prizes were distributed to the winning teams as follows:

Men's Contests: 1st prize Shanghai; 2nd Kwangtung; 3rd Hongkong; and 4th Malaya.

Girls' Contests: 1st prize Shanghai; 2nd Kwangtung; 3rd Shantung; and 4th Shansi.

Singapore Consul General Is Enthusiastic Spectator

Dr. Philip K. C. Tyau, Consul-General at Singapore, who headed the Malaya athletic delegation to the Meet, in an interview with a representative of the *Central News Agency*, Oct. 23 said the Meet was certainly a great success. The unprecedented large crowds that flocked to the newly built magnificent stadium at the Civic Center at Kiangwan to witness the youthful athletes competiting for the honors of physical prowess, Dr. Tyau averred, show keen public interest and enthusiasm in sports, which have now been universally recoginized as a necessary part of national life. Dr. Tyau is a keen sportsman. During his early college days he was captain of the Christ College, Cambridge, tennis team and a member of the College association football team.

Tsing Hua University Announces Result of Fellowship Examinations

The result of the third annual Tsing Hua fellowship examination held last August was announced by the University in Peiping Oct 15. Of the 30 successful candidates, 12 are from Tsing Hua University, eight from the Chiaotung University, two each from the National University of Peiping, Yenching University and Chekiang University of Nanking, the University of Shanghai and Tatung University. Two are girl students.

Keio Preparatory School Pupils Go on Strike Against Wearing Uniforms

One thousand students of Keio University's preparatory school went on strike in Tokyo Oct. 20 and refused to obey the rules which require them to cut their hair short and wear regulation uniforms. The students after having purchased new uniforms were ordered to go through military maneuvers which virtually destroyed the uniforms. The students have demanded permission to wear civilian clothing in the class rooms, but the authorities of the school have refused to allow them to do so.

Canton Tightens School Regulations

The Canton Provincial Government has decreed that henceforth the following regulations must be observed by the students of all schools:—All students must wear clothing made of native material; boys must be clean shaven; no curling of hair is permitted to girl students. No rouge, powder, high-heel shoes allowed; and no ostentatious ornaments, such as diamond rings, bracelets etc. are allowed to be worn by girl students. Those who break the above regulations will be severely chastised and punished.

In the United States Court for China

In re. Estate of THOMAS N. THOMPSON, Deceased.

Cause No. 3960
Special Proceedings No. 1032
NOTICE
Filed at Shanghai, China, September 27, 1935
William T. Collins, Clerk.
L. T. Kenake, Asst. Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of THOMAS N. THOMPSON, deceased, to present the same with vouchers to the undersigned on or before April 26, 1936, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

MABEL HALL THOMPSON,
Administratrix,
No. 19, 1st Chan Shan Road,
Tsingtao.

Shanghai, China,
September 27, 1935.

In the United States Court for China

In re the Last Will and Testament of ROBERT ROY SERVICE, Deceased.

Cause No. 3964
S. P. No. 1034
NOTICE
Filed at Shanghai, China, This 5th day of October, 1935.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of ROBERT ROY SERVICE, deceased, to present the same with vouchers to the undersigned on or before April 12, 1936, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Grace Boggs Service, Executrix,
c/o Allman & Co.
206 Hamilton House
Shanghai
(Attorneys for the Executrix)

Shanghai, China,
October 5, 1935.

"PING TS'AI" IN SZECHUAN

(*Continued from page 268*)

year it was reduced from 53 regiments to 42 and this year there has been an additional reduction until it includes 32 regiments only—still large enough. It is composed of five divisions of two brigades each, a brigade including 3 regiments. The remaining two regiments constitute a special headquarters corps. Similar reductions can be noted in other armies of Szechuan warlords, including Liu Hsiang, its present Chairman.

A far better picture of conditions is available when one notes the refusal of many peasants to even cultivate their land because of a feeling that nothing comes to them. A letter published from Chi Ch'eng-chi, details a little of the condition in Chien Yang Hsien. Last year, he reports, 45% of the peasants refused to cultivate—this year it has increased to more than 50%. His enumeration of the reasons for this attitude are four in number:

1. Taxes and exactions too great.—In recent years taxes have continually increased. The basic land tax has been paid by the landlord but there have been surtaxes which have amounted to 60% of all taxes. (In other *hsien* they take an even greater share.) The landlord has borne half, the balance falling upon the tenant. Of the total basic tax and surtax, two-thirds has been paid by the landlord and one-third by the tenant. (As shown later, much of the landlord's share is shifted to the tenant by way of rent.) In recent years the amount of tax has been as follows:

1932	...	...	...	...	$260
1933	...	...	...	...	320
1934	...	...	...	...	200

This is a total for three years of taxes paid by landlord and tenant together of $780. The landlord paid $520 of this and the tenant $260.

2. Increase of rents by landlords.—The reason for this is because of the above—the growing tax exactions. Because of the annual increase in his burden, the landlord has had no other alternative than to increase his rent and avoid difficulties of borrowing from outside. (Though unfortunately this shifting of the burden by means of increased rents on a tenant even less able to bear it is hardly benevolent.)

3. Falling Price of Produce.—Taxes are too numerous and are collected too often. When the time for payment comes the peasant can only turn his produce into money to prepare his payment. He cannot hold his crops in expectation of a better price. In recent years because of the fall in price of farm produce the farmers have suffered a great loss.

4. The most recent cause: Opium.—The main harvest in this *hsien* is opium. In comparison with other crops it has been the most advantageous and also the most convenient to sell. Last year $30 could be obtained from every *mu* of land devoted to opium raising. This year the harvest is only half that of last year, but because the price is much lower only 8 or 9 dollars can be obtained from each *mu* of land. (Note: It is to be noted that no mention is made) of the existence of any "prohibition" on the growing of opium.)

Too Early to Judge Results

It is much too early to judge the results of the proclamations of General Chiang but there is no doubt that he is consolidating his strength. He has been bringing Central Government troops from downriver by the tens of thousands and has had the support of most of the people. This power has not gone unchallenged for in July there was a movement with the slogan of "Szechuan for the Szechuanese." This movement, however, died down when the instigators were shown to be some officers (of the rank of colonels and thereabouts) who were rightly afraid of being deprived of their former illegal income. The very fact that continual attacks in the press on the former all-powerful warlord are permitted is one indication of the Generalissimo's power. Attacks on him are, however, completely prohibited, so that the press is not entirely an accurate barometer for testing the true feeling about him.

The visitor cannot but realize that the advent of Chiang Kai-shek means at least some improvement, if only because Szechuan had touched extreme bottom and a lower level was impossible to reach. The elimination of some of the excessive squeeze-takers and the curtailment of others, together with the influx of much Nanking money has already somewhat brightened the outlook. But the problems of revenue extortions, *ping ts'ai* and maintainance of the numerous armies, are not simple. The soldiers must be disposed of somehow, without insurrection. To date the only method found practicable is to throw them against the Red armies, where they are promptly annihilated.

While admitting the immediate benefit of the coming of "Savior Chiang," as the placards in Szechuan read, judging from what little has been done in the provinces he has held for several years, no fundamental changes can be expected. In fact, high members of the Generalissimo's staff are already rumored to be getting their share of squeeze rather than opposing this practice, so highly developed in Szechuan, so difficult to eradicate elsewhere in China.

Meanwhile, what of the Reds in Szechuan? Continually on the move, it is difficult to get exact information about the Communist armies. At present (September) the only Red Army in Szechuan (there are others on its borders) is in the northwest, in the mountains—a combination of the troops of Hsu Hsiang-ch'ien, Chu Teh and Mao Tse-tung. They are at present working into Kansu. Their future plans are unknown. From all reports they number between 40,000 and 60,000 men, although figures concerning the Red armies can never be guaranteed. Szechuan is for the moment comparatively unmolested by them.

This cannot be said of the Communist organization, however. One who claims to have attended a Red meeting in Chungking a few days ago informed me that members newly arrived from the Red Army are in touch with the party here constantly. Their activities, despite continuous efforts to suppress them, continue. Chiang Kai-shek's Officers Training Camp, at Omei Shan, is reported to be visited frequently by Red spies, disguished as Buddhist pilgrims. Their espionage service, therefore, seems to remain intact.

Need for Drastic Reform Is Imperative

My own impression, and one which seems to be general in Szechuan, is that Red progress will be delayed until General Chiang, "Savior of the People," has demonstrated his intentions. The need for drastic reform is imperative. Only extreme measures, which it is believed Chiang's limitations will prevent him from undertaking, can solve Szechuan's present problems and make effective the "political war" against the Red ideology.

And most important of these problems, or at any rate fundamental, is a prompt adjustment of the land tax burden. The amazing degree to which the peasantry here has been mulcted in recent years is perhaps not fully appreciated outside Szechuan. Some interesting figures are given on this subject in the June number of the *Szechuan Review*, as supplied by the Chengtu Hua T'ung Society. For example it is shown that in one hsien (Fou Ling) during 1932 there were collected, besides the two basic land taxes, 22 miscellaneous assessments, and another 22 surtaxes—in all 46 tax collections in a single year.

These taxes totalled $5,399,116, while the year's return from rice, grains, vegetables, i.e., its entire output, was but $19,150,000.

In Fou Ling hsien only two basic land taxes were collected, but in many other hsien the total of this category exceeds ten or more. Thus, in 1933, the citizens of Lu Shan province paid taxes every month, from January to October, for 11 years in advance, beginning with the year 1949. That is, by November they had paid full land taxes up to the year 1960. Collection of taxes in advance apparently began as far back as 1924; in Chien Wei hsien, for instance, it had jumped from one assessment in 1924, to six in 1934.

Land surtaxes showed similar increases. First applied in 1927, the year of the Nationalist Revolution, by 1933 the surtax in Kiang Chin hsien, the *Review* indicates, had risen from $3 per farmer to $36, a slight increase of 1,200%. Then the rate of the land tax itself has all the time kept increasing, in recent years practically doubling annually in some hsien.

Finally, a table compiled for land taxes in the whole of Szechuan shows that the rate in this badly bled province is four times as great as in other Chinese provinces, almost 10 times as great as that in Japan, and roughly 2100% higher than the average farmland tax rate in the United States.

Chungking, Szechuan, October, 1, 1935.

Fifty-Four Arrested in Mukden for "Red" Activities

Referring to the article "Japanese Make Wholesale Arrests of Chinese in Mukden" on page 272, a later *Rengo* message from Mukden (Oct 23) stated that 54 Russians and Manchukuoans are under detention there for investigation as suspects in what the police describe as a gigantic Communist plot to blow up the Mukden airport, the Fushun coal mines and other important institutions. According to the official version, a Russian named Witla, 29 years old, arrived there from Shanghai several months ago and sought to reorganize the Manchurian branch of the Chinese Communist Party. He obtained adherents among employees of the Fushun mines, the Mukden Motorbus Company, the Chi Tung Tobacco Company and other large firms in Mukden.

Chinese Bank Officials Sentenced for Having Given False Particulars

Loh Sih-hou, Loh Mung-shang, and Loh Tsoo-doong, officials of the defunct Industrial Bank of China, were sentenced to six months' imprisonment each, by Judge Dzien, in the First Special District Court, Oct 23, on a charge of having caused public officers to record false particulars on a document to the injury of others.

Price of 1936 Fords Practically Same as Current Model

The prices of Ford 1936 models were announced Oct. 18. Only minor changes have been made from the current levels. Low-priced models have been advanced from five dollars to fifteen while some of the de luxe models have been reduced by five to ten dollars.

Ambassador Bogomoloff Gives Dinner in Honor of Chinese Officials

Dimitri V. Bogomoloff, Soviet Ambassador to China, was the host at a dinner Oct. 19 at the Soviet Embassy in Nanking to a large gathering of high government officials, including Wang Ching-wei, President of the Executive Yuan and concurrently Minister of Foreign Affairs, Hsu Mo and Tang Yu-jen, Political and Administrative Vice-Ministers of Foreign Affairs respectively, and several others.

Chinese Military Attache in Moscow Returns to Shanghai

Colonel Teng Wen-yi, Chinese military attache at Moscow, returned to Shanghai Oct. 15 in company with Mr. and Mrs. Wu Tze-hou, Mrs. Hsu Lien-lay, and Miss Chen Hsi-lang (Eugene Chen's daughter.)

Chien Chia-tung Appointed Consul at Khabarovsk

In accordance with the recommendation of President Wang Ching-wei, the Executive Yuan has appointed Chien Chia-tung as Consul-General at Khabarovsk, in succession to Hsu Nien-tseng, who has been transferred to another post (as Consul-General at Hanoi, French Indo-China). Li Chin-ken was appointed Chancellor at the Vice-Consulate in Bombay, India.

British Ambassador Calls on Hsu Mo

Alexander Cadogan, British Ambassador to China, called on Hsu Mo, Vice-Minister of Foreign Affairs, Oct. 19. Ambassador Cadogan later came on to Shanghai to see Sir Frederick Leith-Ross.

German Ambassador Visits Shansi Province

Dr. Oskar Trautmann, German Ambassador to China, returned to Peiping via Kalgan this week afer a trip to Tatung, Shansi, to visit the famous Yunkang stone carvings there.

Chilean Charge d'Affaires Calls on Wang Ching-wei

Eleazar Vega Lopez, the new Chilean Charge d'Affaires, paid his first official visit to Wang Ching-wei, President of the Executive Yuan and concurrently Minister of Foreign Affairs at Nanking Oct. 18. Mr Lopez also called on Tang Yu-jen, Vice-Minister of Foreign Affairs.

Minister to Turkey Returns to Nanking

General Ho Yao-tsu, Minister to Turkey, is on his way back to China via Moscow, to attend the 6th Plenary Session of the C. E. C. He is expected to arrive in Nanking Oct. 25.

Corrupt Official Given 150 Strokes with Bamboo by Order of Gen. Han Fu-chu

Gen. Han Fu-chu, chairman of the Shantung Provincial Government, in Tsinan Oct. 17 passed sentence summarily on a government official found guilty of corruption. The delinquent was Sun Sze-kwei, of the Department of Finance, who had accepted a secret commission of 20 per cent on a printing contract to the value of $60,000. Sun was brought before Gen. Han, who, after an examination, ordered that the culprit be given 150 strokes with the bamboo and be required to disgorge the amount of the commission within one week.

Foreign Investment Disallowed in Private Railways

One of the salient points of the regulations governing the operation of private owned railways in China enacted by the Legislative Yuan Oct. 18 disallows private companies to accept foreing capital or to raise foreign loans unless special permission has first been obtained. They may however accept government capital.

Private owned railways, however, have the right to issue corporation bonds, but the amount should not exceed the property of the company. Those which need more capital to complete new lines, however, may be exempted from this ruling.

Employees of "Sin Wan Pao" Arrested as Communists

Four employees of the prominent Chinese newspaper *Sin Wan Pao*, Shanghai, were arrested on Oct. 22 on a charge of being Communists. The arrests were effected on the premises of the paper in Hankow Road by the Shanghai Municipal Police, on the authority of a warrant from the First Special District Court, issued at the request of the military authorities. The prisoners, who were remanded by the Court, are: Loh Zuen-pung, Zee Kwen-sung, Zung Tso-kau, and Coo Ching-loong.

Japanese Schoolboys in Shanghai Undergo Three-Days' Military Training

Seventy-five fifth-grade pupils of the Commercial School of the Japanese Residents Corporation in Shanghai have completed a three-day course of military instruction at the barracks of the Special Landing Party, in Kiangwan Road. They received instruction in all branches of warfare, including rifle practice.

In the United States Court for China

In re.
the Estate
of
KENNETH ERIC JOHN AINSWORTH DABELSTEIN
Deceased.

Cause No. 3965
Special Proceedings No. 1035.
NOTICE
Filed at Shanghai, China, October 7, 1935.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of KENNETH ERIC JOHN AINSWORTH DABELSTEIN, deceased, to present the same with vouchers to the undersigned on or before April 12, 1936, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

N. F. Allman,
Administrator,
Hamilton House,
Shanghai, China.

Shanghai, China,
October 7, 1935.

In the United States Court for China

In re.
Last Will and Testament
of
LIZZIE EDITH CHUBBUCK KEMPTON,
Deceased

Cause No. 3966
Special Proceedings No. 1036
NOTICE
Filed at Shanghai, China, October 14, 1935.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of LIZZIE EDITH CHUBBUCK KEMPTON, deceased, to present the same with vouchers to the undersigned on or before April 20, 1936, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

GEORGE ASHMORE FITCH,
Executor,
c/o Foreign Y.M.C.A., Shanghai.

Shanghai, China.
October 14, 1935.

Tea Export from China to U. S. Shows Increase

China shipped more tea to the United States in the fiscal year of 1935 than it did in 1934, according to the United States Department of Commerce. Africa and the Azores also registered an increase of tea exported. Morocco is China's principal customer for tea. With the exception of a brief increase in the volume of importations in 1933, tea receipts of the United States had been dropped steadily since 1930. The annual statistical tea report of the U.S. Department of Commerce issued in Washington Oct. 13, shows that although the general decrease of imports in 1935 was about a million pounds, the year 1934 showed a much greater decrease, the amount of tea imported into the United States that year being ten million pounds less than the figure for 1933.

Large-Scale Modern Tea Factory to Be Built at Keemun

By arrangement with the National Economic Council and the Ministry of Industry, the Anhwei Provincial Department of Reconstruction will establish a large-scale modern tea factory at Keemun, famous tea-producing center in southern Anhwei. Machinery and materials for the improvement of tea cultivation have been shipped to said city. Engineers will be sent from the Capital to direct the construction work, which is expected to be completed in four months.

Public Properties to Be Insured with Central Trust of China

On the recommendation of the Ministry of Finance, the Executive Yuan has issued a circular order to all organs under its direct jurisdiction, instructing that henceforth public properties should be insured through the Central Trust of China.

Highway Committee Makes Motor Fuel from Cotton Seed

The Highway Communications Committee (for the provinces of Kiangsu, Chekiang, and Anhwei and the Municipalities of Nanking and Greater Shanghai) has obtained satisfactory results with a new kind of gasoline produced from cotton seed.

Business Depression Hits Nanchang

The Nanchang Chamber of Commerce in a petition to Gentral Hsiung Shih-hui, Chairman of the Kiangsi Provincial Government last week asked the authorities to appropriate a sum of $1,000,000 for relief purposes, in view of the failure of a number of shops in the city in the past few weeks.

Szechwan-Shensi Highway to Be Opened End of This Month

The whole line of the Szechwan-Shensi highway, extending over five hundred kilometres from Sian to Chengtu, work on which is being pushed ahead by both civil and military authorities of the two provinces concerned, will be completed towards the end of this month, when traffic is expected to be opened.

Fukien-Kiangsi Highway Ready to Be Opened to Traffic

Work on its construction having been completed, the Fukien-Kiangsi Highway is scheduled to be formally opened to traffic in November. The highway extends from Lichwan, eastern Kiangsi to Yenping, central Fukien, traversing through four districts of western Fukien including Kwangtse, Shaofu, Kienyang and Kienou, and joins the Fukien-Chekiang Highway at Kienyang.

Paoting-Tientsin Highway Will Be Built by Refugee Labor

Surveys on the projected highway linking Paoting, provincial capital of Hopei, with Tientsin have been started under the direction of the Provincial Department of Reconstruction. The road will be built by refugee labor.

Smuggled Goods in Fukien Valued at Half a Million

Goods smuggled to Fukien from Formosa are stated to amount to half a million dollars every month. Pingtang, an island located in the route from Formosa to Amoy and Foochow is the center of these smuggling activities.

China Merchants S. N. Directors Resign

The entire body of fifteen directors of the China Merchants Steam Navigation Company resigned en bloc Oct. 15 owing, it is alleged, to financial difficulties. Dr. Chu Chia-hua, Minister of Communications, has asked them to reconsider their decision.

Central Bank Branch Established at Changsha

A branch of the Central Bank of China has been established at Changsha. In a communication to the Ministry of Finance, the Bank requests that the Hunan Provnicial Department of Finance be instructed to deposit hereafter all national revenue collected in Hunan in the branch bank.

Ministry Sends Experts to Tientsin to Despatch Japanese Telegrams

The Ministry of Communications has sent nine telegraph operators specially conversant with the Japanese language to the Tientsin Telegraph Office to deal with the despatch of telegrams in Japanese to places outside the Great Wall, which is scheduled to commence from November 1 next.

Central Bank of China Made Profit of $5,609,037.38 in Half Year

A condensed statement of the condition of the Central Bank of China (head office and branches) as of June 30, 1935, published in brochure form, shows that the Bank made a profit for the six month's period of $5,609,037.38. The deposits amounted to $314,036,388.57. The board of directors of the Central Bank comprise :—H. H. Kung, Chang Kia Ngau, Yih Churtong, Hsu Kan, P. L. Wong, K. P. Chen, Chow Chung-liang T. V. Soong, Jian H. Chen, Tong Shou Ming, Yeh Tsu-chang Y. M. Chien, Yung Tseong-king, Tang Yu-jen, T. L. Soong.

"Shanghai Mainichi" Comments on Paper Notes Issue of the Central Bank of China

Reporting that the Japanese banks at Tsingtao were rumored to have refused to accept papernotes issued by the Central Bank of China, the *Shanghai Mainichi* in Oct. 17 pointed out alleged defects in the organization for the issuance of papernotes by banks in China. "As is generally known," the paper continued, "the papernotes issued by the Central Bank are being circulated throughout the country without any restriction. Moreover, the branch offices of the bank are closely related to the General Office and therefore the failure of one of the branches of the banks can easily influence all the others."

Bank of China Denies Issuance of $50,000,000 Notes

T. V. Soong's secretary in an interview in Shanghai Oct. 16 denied the report circulated in the Chinese and foreign press regarding the issuance of $50,000,000 worth of new notes by the Bank of China. In the interview, the spokesman declared that the new five dollar notes (amounting to $50,000,000) will be used to recall old notes but no additional notes are to be issued. The total amount of bank notes issued by the Bank of China at present is $170,000,000.

Senator Thomas Denies That High Price of Silver Injures Chinese Business

An executive hearing of the Senate Investigating Committee, which is studying the effects of the Administration's Silver Purchasing program was held at Salt Lake City, Utah, Oct. 12. Mr. Jones, chief of the Department of Commerce's Foreign Bureau, presented the United States-Chinese export and import data. It is reported that Senators Thomas and Borah are in favor of the immediate remonetization of silver at $1.29 but that Senators Pittman and King are satisfied with the present plan. Senator Thomas urged that silver be remonetized while Congress has the power to do so as he is afraid that a new and hostile Administration might kill the silver program.

Senator Thomas further declared that unless silver is made a basic monetary metal it is merely token money. He also stated that there was an insufficient amount of gold for the purpose of using it as a monetary basis, but that the bankers of the nation control the supply of gold and are fearful of losing that control in the event of silver being remonetized. The Senator went on to point out the fact that China is buying more goods with the price of silver being up and denied that the high level of the white metal is injuring Chinese business.

Dr. Stampar Makes Report on Rural Welfare Work in Kiangsi Province

Dr. Stampar, League of Nations health expert, who early in the year made a study of the public health institutions in Northwest China, has now inspected the rural welfare activities of the National Economic Council in Kiangsi Province. The report which he has submitted to the Council deals chiefly with the rural welfare centres, of which eight are already in operation and two more are about to be opened, and with the program for public health. The health program is under the direction of the Kiangsi Provincial Health Department, a new branch of the administration inaugurated on June 8, 1934. This Department, besides controlling the provincial hospital and Provincial midwifery school, and various laboratories and health stations belonging to the government, has a wide range of activities, both in Nanchang, the capital of the province, and in the country districts.

Sino-Japanese Company Will Reopen Coal Mines Near Chinwangtao

The Taichi coal mines near Chinwangtao will reopen soon after a ten-year suspension, the Sino-Japanese Coal Mining Steamship Company announced in Tokyo, Oct. 16. The company will also acquire the neighboring Liuchiang coal fields, with the expected combined annual production of 200,000 tons.

The Taichi mines suspended their operations, when the 18-mile railway between Chinwangtao and Liuchiang was closed following the Chili-Fengtien war in 1924-25. The railway was opened to traffic recently as the result of negotiations between the Kwantung Army and the Chinese authorities in North China.

Who's Who in China

郭則濟號青原
T. C. Kuoh (Kuo Tse-chi)

T. C. Kuoh, consular official; born at Foochow, Fukien; was graduated from the Wucheng School in Peking, the Peking Law College and the Tientsin New Learning Institute; served in the War and Interior Affairs Departments under the Manchu regime; from 1913-20, he was successively chancellor of the Ministry of Foreign Affairs, interpreter in the Secretariat of the Senate and member of the Investigation Committee of the National Wine and Tobacco Taxes Administration; Chinese Consul in Nagasaki, Japan, 1920-27; Chinese Consul, Sourabaya, Java, since 1928; address: c/o Chinese Consulate, Sourabaya, Java.

郭則濟號青原，福建省閩侯縣人，北京五城學堂，貴胄法政學堂及天津新學大書院畢業，前清陸軍部民政部主事，一九一三年至二〇年任外交部主事，參議院秘書廳譯員，全國菸酒事務署檢查委員會專任委員，一九二〇年至二七年駐長崎領事，三等嘉禾章，一九二八年任駐泗水領事，通訊處：駐泗水領事館轉。

British Author Predicts Business Boom in the United States

Major L. B. Angas, famous British author, whose book "The Coming American Boom," attracted considerable attention, now predicts that an American automobile boom will occur in 1936, with a demand for 9,000,000 cars, in spite of the fact that the capacity production of American automobile plants is only 6,000,000 cars.

Stanley Dollar Foresees San Francisco Losing Business as Result of Water-front Troubles

Stanley Dollar, President of the Dollar Steamship Lines, in commenting upon recent disorders incidental to the shipping strike in San Francisco, which delayed the sailings of the s.s. *President Pierce*, and the s.s. *President Cleveland*, said: "Things are going from bad to worse." Mr. Dollar predicted that San Francisco would lose a considerable amount of commerce unless the "quickie" strikes are discontinued.

U.S. Extends Credit to Purchase Silver Bullion

The U.S. State Department announced Oct. 18 that arrangements had been concluded to extend a credit of $6,000,000 to the Cuban Government. This sum is to be used for the purchase of American silver bullion amounting to approximately 7,500,000 ounces to be used for the coining, at the Philadelphia Mint, of 10,000,000 standard pesos.

Gold imports of the United States for the week ending October 11 totalled $38,603,511, the U. S. Department of Commerce reported Oct. 18. Of that amount, $15,862,822 came from France, $9,840,776 from the Netherlands, $6,068,633 from the United Kingdom, $2,756,340 from India.

Silver Gradually Displaces Gold as Money in the U. S.

Silver is rapidly displacing gold as the the money of the United States, in spite of the record gold stocks now on hand, Treasury Department statistics issued in Washington last week disclosed. It is believed in Washington that continued purchases of silver by the Treasury will gradually increase the proportion of silver money in the hands of the public. Since the Treasury is still committed to buy 1,300,000,000 additional ounces of silver, and to issue money against it, is possible that eventually nearly half the money in circulation will be silver.

Proctor-Gamble and Colgate Fail in Patent Suit Against Lever Bros.

Lever Brothers, the principal soap manufacturers in England, have won a long-drawn-out patent suit involving millions of dollars. Federal Judge T. W. Slick denied the contentions of the Proctor-Gamble and the Colgate-Palm-Olive-Peet Corporations that Messrs. Lever Bros. had infringed patents involving a method of manufacturing Rinso. The case is expected to go before the U.S. Supreme Court for a final hearing.

The plaintiffs had asked for U.S. 5,000,000 damages, alleging infringement of their Lamont patent for the manufacture of inflated soap granules in Lever Brothers' product Rinso, which competes with the plaintiff's soaps Supersuds and Ivory Snow.

In the United States Court for China

ALBERT FLETCHER WILSON,
Plaintiff,
vs.
JENNY STRASGAROTSKY WILSON,
Defendant.

Cause No. 13967
Civil No. 1880
ORDER
Filed at Shanghai, China, October 8, 1935.
William T. Collins, Clerk.

ORDER

The object of this suit is the dissolution of the bonds of matrimony between the parties hereto.

WHEREAS Plaintiff herein by his attorneys, on the 7th, day of October, 1935, made application for the substitution of publication for personal service of summons upon the Defendant herein; and

WHEREAS it appears from the files of this case that on the 8th, day of October, 1935, the summons for the defendant was returned by the Marshal of the United States Court for China "Defendant can not be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on the 7th, day of October, 1935, ALBERT FLETCHER WILSON, the Plaintiff herein, filed an Affidavit to the effect that the Defendant herein was not residing in the Republic of China;

NOW, THEREFORE, it is this 8th, day of October, 1935, ORDERED that service upon the Defendant be made by publication once a week for three consecutive weeks in the *China Weekly Review*, a paper of general circulation most likely to reach the Defendant.

IT IS FURTHER ORDERED that the Defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 26th, day of October, 1935, the day of the last publication of the Order; otherwise the case will be proceeded with as in cause of default.

BY THE COURT.

MILTON J. HELMICK
JUDGE,
United States Court for China.

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Men and Events

Dr. James M. Henry, provost of Lingnan University in Canton, is spending several days in Shanghai on business.

The District Grand Lodge of China (Massachusetts Constitution) will hold a banquet at the American Club, Shanghai, Oct. 26.

H. B. Hawkins, deputy Commissioner of Customs at Santuao, Fukien province, has resumed his duties in said port after a long holiday abroad.

M. M. Whedbee, a director of the British-American Tobacco Co., arrived in Shanghai this week from London in the course of a business trip to the Far East.

Miss Helen Burton, manager of the Camel Bell Shop in Peiping, is a guest of Mr. and Mrs. Harry Payne at their home No. 26 The Bund, Shanghai.

Reginald Sweetland, for many years correspondent for the *Chicago Daily News*, formerly stationed in Shanghai, later in Tokyo, has been transferred from Vienna to Rome.

The death has occurred at Canton Oct. 19 at the age of 51, of General Wei Pong-ping, who at one time was Commissioner of the Kwangtung Police and Commander of the 3rd Kwangtung Army.

Mr. and Mrs. Eugene E. Barnett returned to in Shanghai this week from a vacation in Korea and North China. Mr. Barnett is general secretary of the Y.M.C.A.'s National Committee in China.

Funeral services were held in Shanghai Oct 19 for the late Tseng Hsien-chou, a man well known in banking circles, who died in Peiping in December, 1933. The remains were brought to Shanghai by train.

Sidney Smith, creator of the American comic-strip, "The Gumps," was killed in an automobile accident at Harvard, Ill., Oct. 20. His comic-strip has been published in the *Shanghai Times* for about two decades.

Mrs. William Francis Fitzgerald, American short story writer, will shortly visit Shanghai to obtain literary material for a series of stories which will appear upon her return to America in *Scribner's* magazine.

Willian Henry Chamberlin, chief Far East correspondent for the *Christian Science Monitor*, recently arrived in Peiping from Tokyo, accompanied by Mrs. Chamberlin. They are due here Nov. 1, to remain about a week.

Nanking advices state that following negotiations between Lieut.-General Chang Hui-chang, Minister to Cuba, and the diplomatic representative at Cuba of the Dominican Republic, a Sino-Dominican Treaty of Amity will be concluded shortly.

The death occurred in Shanghai Oct. 22 of Edward A Cuddy, at the age of 72. He was a Spanish-American war veteran and a resident of Shanghai for many years. He was an enthusiastic radio fan and died from heart failure at night while listening to a European broadcast.

The Ministry of Judicial Administration, in a dispatch to the Ministry of Education, urges that the limitations imposed on the numbers of law students in the universities be abolished, so that more law students may be trained to direct the people in exercising the rights of citizenship.

Installation of the radio station of the Ministry of Communications at Hsining, provincial capital of Sikang, having been completed, the Ministry has ordered the station to begin traffic at once. The opening of the new station will greatly facilitate communications with the border province.

C. Neprud, acting Commissioner of Customs at Peiping, has been transferred to a similar post at Pakhoi, to which port Mr. and Mrs. Neprud proceeded last week. Pakhoi, with the exception of Hainam, is the most southern Customs station in China, the Customs House there having jurisdiction over an exceptionally wide area.

Hundreds of beggars and vagabonds were arrested in Nanking Oct. 18 in pursuance of an order of the Metropolitan Police Headquarters. They were handed over to the Bureau of Social Affairs to be sent to the Beggars' Camp at Paitushan, in a hill suburb of the city, where they will be given manual work to perform.

The Japanese population in Shanghai on October 1 amounted to 27,299, of whom 25,680 were permanent residents, according to three local Japanese papers. The remaining persons included passengers aboard Japanese vessels in port on the day the quinquennial national census was taken. The total represented a decrease of 1,712 since the census taken by the Japanese Consular Police at the end of last year. Of the total number, 25,001 hailed from Japan proper, 1,602 from Korea, and 606 from Formosa.

Mr. and Mrs. C. E. Christopherson entertained a large number of friends at a cocktail party at their home in Hungjao road, Shanghai, Oct. 17. Mr. Christopherson was formerly U.S. Trade Commissioner at Mukden, but is now associated with Julean Arnold in the offices of the American Commercial Attache in Shanghai.

Ke Kung-chen, former newspaperman, died at Shanghai, Oct. 22 at the age of 46. The deceased returned to Shanghai on Oct. 16 after three years of travelling in Europe, having been sent there by the Chinese Journalists Association to cover the proceedings of the League of Nations Assembly and Council meetings.

The annual alumni day of the University of Shanghai will be observed on Saturday, October 26. The program for the day includes reunions at noon; the dedication service for the new academy building at 2 p.m.; a faculty reception in honor of the guests from 3.30 to 4.30; and a fellowship meeting for the alumni at 4:30 p. m.

Mr. and Mrs. Wilbur Judd sailed from Shanghai on the German liner *Trier* for Europe this week on a holiday. They are expected to return to Shanghai about seven months hence, via the United States. Friends from the Navy Y., of which Mr. Judd is a secretary, and members of the Community Church were present at the wharf to wish them bon voyage.

Mme. H. H. Kung was hostess at her home in Route de Sieyes, Shanghai, at a Wesleyan College reunion dinner Oct. 18 given in honor of Dr. W. F. Quillian, former president of Wesleyan College, and Mrs. Quillian, who are making a tour of the Far East under the auspices of the general board of the Christian Education of the Southern Methodist Episcopal Church.

Strong disapproval of what he evidently regards as a new-fangled system of "simplified characters," recently adopted by the Ministry of Education, was expressed by General Ho Chien, Chairman of the Hunan Provincial Government at Changsha in a telegram to the Ministry Oct. 22. The message requested that the order for the enforcement of the simplified characters be rescinded "so as to preserve our national culture."

Major O. J. Todd, chief engineer for the China International Famine Relief Commission, returned to Shanghai from the United States, aboard the s.s. *President Hoover*, Oct. 22, after a holiday in the United States. In an interview he said the often discussed plan of changing the present bed of the Yellow River and causing it to flow into the sea in Northern Kiangsu Province, may become a reality some time in the not distant future.

Judgment in the sum of $12,305.25 was given the China Finance Corporation in its action against Hubert S. Honigsberg and R. P. Honigsberg in the U. S. Court for China Oct. 19 by Judge Milton J. Helmick. The case arose out of the fact that the defendants had guaranteed the payment of certain conditional sales contracts and promissory notes between Honigsberg & Son, Fed. Inc., and Yang Hew Kee; and Hong Van Kee; and also San Yue Transport Co. These contracts and promissory notes were transferred by endorsement to the plaintiff concern.

Dr. Esson M. Gale, of the Chinese Salt Service, gave an informal talk on "The Chinese Theater" before members of the International Arts Theatre in Shanghai Oct. 19 at the home of Edwin S. Cunningham, United States Consul-General. Dr. Gale in the course of his remarks stated that the Chinese theater draws its origins from the performances of religious rites; when, in the remotest antiquity, sacrifices were offered to the souls of deceased ancestors, there was always a relative of the dead man chosen to impersonate the dead; the sacrifice would not be complete without the presence of woman-priests. To one of these priestesses was assigned the task of attracting the soul of the deceased to the sacrifice with the aid of a magical dance.

Institution for Chinese Blind Holds Annual "At Home"

The annual "at home" of the Institution for the Chinese Blind, 290 Hungjao Road, Shanghai, was held Oct. 19. Eric G. Clarke, chairman of the committee, opened the program. A brief welcome was given by George B. Fryer, the superintendent. Immediately after this, Mme. Wu Te-chen, wife of the Mayor of Greater Shanghai, presented diplomas to ten pupils who had completed the full course at the school. One of the most interesting events was the dumb-bell drill by blind pupils. One of the visitors was Chang Wen-hwei, the first pupil to graduate from the school. Mr. Wang is now a secretary and typist in the Edward Ezra Co.

Telephone Experts Unanimously Approve Message Rate

The report of the Special Telephone Committee to the Shanghai Municipal Council, issued Oct 23, was unanimous in supporting the message rate. The committee advises a monthly charge of $10 to business subscribers for the first 150 calls, wirh additional calls at three cents each. Residential subscribers would pay $6.50 for the first 100 calls, with a similar three-cent rate for others.

American Embassy Asks Nanking Government to Investigate Waddell-Hsu Death

The American Embassy has sent a Note to the Foreign Office requesting that the Chinese authorities take steps to ascertain the cause and manner of the death of Mrs. Susan Waddell-Hsu, American wife of a Chinese resident, whose dead body was found last week at a lonely spot on the northern side of the Nanking city railway Oct. 18. The Note also requests that the Chinese authorities to take steps to arrest her murderer or murderers. William T. Collins, Commissioner of the United States Court for China in Shanghai, proceeded to Nanking to collect information concerning her death. Dr. J. Heng Liu, Director of Public Health, after making an autopsy, expressed the opinion that death was due to asphysiation, presumably by means of smothering; there was no evidence of criminal assault. The body, according to indications, had been dragged to the spot where it was found from the place where the murder was committed.

William T. Collins, U. S. Coroner, who went to Nanking to hold an inquest, filed his verdict in the U. S. Court for China Oct. 23. It read: "I find that the cause of the death of Mrs. Susan Waddell-Hsu is unknown, but that her death was homicide, perpe rated by a person or persons unknown."

Horse Racing Venture Stated to Have Incurred $400,000 Loss

The *Shanghai Times* states that three hundred thousand dollars were lost by the Metropolitan Sporting Association and about $100,000 by the Far Eastern Recreation Grounds, Ltd. as a result of their failure to obtain official permission to start trotting at the Chinese Jockey Club in Hsinyangkong, which is under the jurisdiction of the Greater Shanghai City Government.

More than 100 horses bought by the former organization are said to be still cared for at the C. J. C. old headquarters. These horses, which were brought from Australia at the average price of $1,000 per head, originally numbered more than 150 but have now been reduced to less than 100, according to an official of the Far Eastern Recreation Grounds, Ltd. He said that, pending the final disposal of the animals, his company was willing to allow them to stay at the club.

California Judge, on Visit Here, Praises Chinese Courts

Edwin F. Hahn, who only recently resigned from the Bench of the Superior Court of the State of California, after thirteen years' service, arrived in Shanghai by train from north China, via Nanking Oct. 17, accompained by Mrs. Hahn. Interviewed by the *China Press*, following a visit to the First Special District Court in Shanghai together with Dr. Fong Sec, former director of the Rotary International, Judge Hahn stated that he had visited courts both in North China and here, and that he had been surprised to see these tribunals so modern and efficient. He expreesed further surprise when told that the First Special Court handles an average of more than 100 criminal actions daily.

Letter by Late George Hanson Alleged Confidences Were Violated

The Bridgeport *Times Star* last month published a letter written by the late George C. Hanson, American diplomat formetly stationed at Harbin, who committed suicide at sea, written to Wilbur J. Carr, Assistant Secretary of State, in which he referred to the speech which he had made before the American Russian Chamber of Commerce in New York. Mr. Hanson alleged that not only had confidences been violated, but the allegations that he had gone out of his way to criticize adversely the Soviet leaders, some of whom were his personal friends, was absurd. Mr. Hanson incidentally referred in the fact that he had faithfully served the Department for 25 years.

National Conference of Child Welfare Workers to Be Held in Tsingtao Next Year

Approval of a general plan of the 2nd National Conference of Child Welfare Workers to be held in Tsingtao in July 14, 1936, was given by the 80th meeting of the Executive Committee of the National Child Welfare Association of China, held in Shanghai Oct. 19. The meeting was presided over by Dr. R. Y. Lo, First Vice-president of the Association, who recently returned here after a world tour for the last 16 months. The National Conference will be called by the Association for the purpose of co-operation and of coordinating the child welfare work in China.

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New Books of Interest in the Far East

How the Jesuit Fathers Influenced Chinese History

Jesuits at the Court of Peking, by C. W. Allan. Shanghai, Kelly & Walsh, price M$7.50.

In this book Mr. Allan has marshalled some unusual material which will appeal to anyone interested in Christian missions in China, or even in the history of China in general, for the story of the Jesuits in China is closely bound up with the progress of events in two important dynasties, the Ming and the Manchu. Mr. Allan has assembled his facts from original documents and sources in a scholarly manner, has his chronology well arranged and maintains an interesting narrative, but, on the whole, the book seems badly written and the style unpolished. If the exposition had been as painstaking as the research into historical data and had been more carefully and critically corrected, the book would have been greatly improved. Unfortunately, also, a slovenly job of proof-reading may annoy fastidious readers. However, the history of these devoted, learned and cultured men, members of the Society of Jesus (founded in 1538), inspired by a fervent zeal to come to a barbarous and distant land, makes fascinating and adventurous reading. They endured almost incredible hardships, deprivations, persecutions and martyrdom to carry on their work. It impresses one who lives in China today to see how these early missionaries encountered the typical psychology of the Middle Kingdom. Against a background of ignorance, superstition and anti-foreignism, a few instances of great intelligence and liberalism stand out clearly; for instance, Kang Hsi, the first great Ming monarch, a scholar, hunter, statesman and traveler, whose Edict of Toleration in 1692 opened China to Christianity. This was soon revoked by his successor.

Mr. Allan begins by telling us that the Romans had had relations with the Far East and the Tatars had opened trade routes in the Middle Ages which were subsequently closed by the Ottoman Turks, so that Europe forgot India and China until Vasco da Gama rediscovered the Orient when he doubled the Cape of Good Hope in 1497. The era of geographical discovery in the 15th Century not only opened new countries to trade, but to missionary endeavor, first of all, Roman Catholic. Da Gama's sailors, landing in India, said "We have come to seek Christians and spices." The first Christian missionary to China was the revered and gentle St. Francis Xavier, who arrived in Macao in 1638 and died there the following year. Thirty years later came Mateo Ricci who founded Roman Catholic Christianity in China and began the work of the Jesuit fathers at the court of Peking. From his time on followed a long line of brilliant scholars; mathematicians, astronomers, translators, surveyors and map makers, artists and historians, like Longobardi, Verbiest (tutor to Kang Hsi), Adam Schaal, Gerbillon, Kogler and a host of others whose lives were one long adventure and sacrifice to their convications. Not only were these men interpreters of Western religious philosophy and science to the Chinese, but, as Mr. Allan says, "they contributed in many ways to the knowledge of Europeans about the Orient, and doctors and savants of Western universities were dependent upon them for enlightenment" on all sorts of questions in connection with the East. Their able critical studies form the basis of Western knowledge of Chinese literature, history and philosophy. It was Father Regis, a Jesuit, who made the first map of China. It was Jesuit policy, inaugurated by Ricci, to influence the masses of Chinese through impressing the officials and literati; hence only highly educated men, whose attainments were remarkable in their homelands, were sent to the Court of Peking. It is surprising to learn that two Jesuit fathers practically negotiated the Treaty of Nerchinsk with Russia in 1689, the first treaty concluded by China with an European power, copies of which were made in Latin, Russian and Chinese. It was a thorny path, beset with vicissitudes and many changes of fortune, which these missionaries trod for some 300 years until the treaties of 1858 opened China to trade and mission work of all faiths. Their record remains one of heroic endeavor under disheartening handicaps and ever present danger.

M. W.

A Perspective on the Problems of China

The Great Wall Crumbles, by Grover Clark. New York: The MacMillan Company, G$3.50.

This volume is meant to be an "informal, friendly discussion" of China as a nation, in the light of her past history and present problems. As a popular general interpretation it is to be highly recommended, and is sure to prove a useful volume for the general reader abroad, although for China readers who have background it contains no new material, and it is avowedly not a special study to grace the libraries of the "experts." In many ways, however, it is a valuable contribution to the literature on China, if only in that a new arrangement and analysis of the subject, is always interesting. The book is very readable and occasionally Mr. Clark goes off on little tangents of personal philosophizing that are quite fascinating.

As this reviewer feels that it is the particular duty of a magazine on the scene to be critical of books on China in its reviews, Mr. Clark's book calls for a few comments: First of all, it must be remarked that the last three short chapters are a warning to those who presume to write of this period of rapid shiftings from a desk in New York City. A great deal of the important news about China does not find its way into the press at present, and one is likely to get a very distorted idea of what is happening here. Since Mr. Clark left China, and especially since 1931, the situation has developed certain phases of which he does not seem sufficiently aware. Certainly he does not understand the implications of the present Japanese program in China, which has altered the whole outlook. He does not know that the day of the boycott is over, apparently, and believes that the further Japan goes along the line of using force in China, "the greater the resentment she will arouse and the more difficulties she will face in getting what she must have. This road leads straight to the precipice of complete economic collapse. Japan will fall over the precipice, inevitably, if she continues on the present course, even though for a while she may be able to secure a militarily supported dominance over a good share of China." Now the whole basis of Japan's policy is to secure economic hegemony without the outlay of an expenditure on methods of force. Japanese yen are rattling much more effectively in China today than Japanese sabres. The threat of force is there, but it is like the auctioneer's hammer—merely driving a better bargain. And those who believe that the Chinese antagonism roused by the taking of Manchuria is going to bring Japan "dangerously near the precipice," are dangerously near wishfulthinking. And how like a page out of an old album are Mr. Clark's eulogies on the splendid advance toward establishing "complete economic sovereignty" in China and his blithe optimism about the future of the Chinese cotton industry, for instance! He ignores the most vital fact of the present: the economic collapse in China, which is the cause of her weakness and a principal reason for the ease with which Japan can secure control. Grover Clark has spent many years in China and is well-equipped to write intelligently upon specific interpretative studies of the present period, and it is regrettable that he did not cut short the rehash of ancient history and spend his time on a trip here to provide better material for the latter part of the book, which is after all what the reader is primarily interested in and for the understanding of which all the foregoing history is only background.

The best part of the book is that which deals with the period immediately preceding the Japanese drive, and one phase of the author's interpretation was of particular interest to this reviewer. That is, his analysis of the role of the students and of the new youth of China in these chaotic revolutionary years, a record of which any country could be duly proud. Mr. Clark was connected with the faculty of Peita University in Peking, cradle of the student movement in China, during those exciting years, 1920-1927. The breakdown of the student movement and the crushing of the spirit of youth in China is one of the most tragic features of the present situation. Mr. Clark would hardly recognize the old university now. The Peita students who once helped so valiantly to defeat the 21 Demands, in June, 1935, dared not even sign a single name to a petition against the Japanese "invasion" of Peking.

H. S.

Ministry of Industries Studies Silver and Commodity Prices in China

Silver and Prices in China: Report of the Committee for the Study of Silver Values and Commodity Prices, Ministry of Industries. Shanghai, Commercial Press, Ltd. 1935. 245 pages, index, charts and tables. Chinese currency.

In his introduction to this report, Chen Kung-po, the Minister of Industries, explains his reasons for the appointment of a committee to study silver values and commodity prices. This committee, which was appointed February 26, 1934 and presented its report December 1, 1934, consisted of Leonard Shih-lien Hsu, Chairman, Ch'en Ping-ch'uan, Ch'en Chung-sheng, T'ang Cheng-po, John Lossing Buck, Chang Lu-Lwan, Ardron Bayard Lewis and Ku I-chun. In connection with the rural reconstruction measures of the Ministry it has seemed evident that the difficulty from which the farmers are suffering most acutely is the decline of prices for their produce. Minister Chen presented to his committee such questions as these: What factors are responsible for the decline of commodity prices? What can be done to stabilize price levels! Do the fluctuations of the purchasing power of silver in the world market affect the movement of commodity prices in China? The report does not intend to offer definite recommendations, but tries to present "a factual survey of possible causes of declining prices, their relation to the movement of silver values and the consequences of declining prices upon agriculture, industry and commerce."

The main topics under which the committee presents its findings are: Monetary and other factors influencing commodity prices in China; post and probable future trends in the value of

silver; economic effects of declining prices in China; currency control policies. Although the study includes many phases of industry and business, the position of the farmer has been treated as a basic factor in the present situation. His position has been shown with a sympathetic understanding. There is an enlightening discussion of some of the factors other than the rising value of silver which have been proposed as causes of the falling farm and wholesale prices in China, and the consequent unusual distress of the farmers. These suggested factors include poor transportation, bandits, separation from China of the Three Eastern Provinces, unfavorable balance of trade, high taxes, inadequate supply of rural credit, dumping of foreign goods.

The book is lavishly supplied with statistical tables, graphs and maps—in all more than seventy. This gives emphasis and further explanation to the points made in the text itself. In explanation of the topic of currency control and price levels, the report has included three studies made by Professors G. F. Warren and F. A. Pearson of the Department of Agricultural Economics at Cornell University. The problems discussed in this report are vitally related to the well-being of the nation, and it is highly commendable that the report should be given to the public in this form. F. M. R.

The Need for a Better Civil Service

Government Career Service, by Leonard D. White, Ph.D. Chicago: University of Chicago Press, 1935. 99 pages, index. U.S.$2.50.

As a professsor of public administration and as a member of the United States Civil Service Commission, Dr. White is able to present his plan for the reconstruction of public service in the higher branches of administration from an historical as well as a practical point of view. He says, "Unless we have assurance of a better civil service than that to which we wave been accustomed, it is perilous, to say the least, to embark upon a broad program of social reorganization which rests primaily upon the activity of government."

The United States has scarcely recognized the special function of administration and the peculiar nature of administrative work in government service. The duties of the administrative group have a quality distinguished from the tasks of other classes in the service—from the executive class, as the term is used in the British civil service, and from the clerical class as it is used both in the British and American services. They are primarily duties of supervision, direction, coordination, and planning for more effective work or for wiser formulations of policy. Such a permanent service group exists in Britain, the Netherlands, Belgium, and Germany.

This career service, in the author's plan, is to be basically reorganized with men recruited by examinations, and also from persons already employed in the classified civil service. A five year period for training is included in the plan, which the author estimates would effect about 2,500 appointments in a service of nearly 700,000 positions.

Formosa Celebrates Administration Anniversary

More than 7,000 people, including high Government officials and civic and business leaders, attended the ceremonies in Taihoku Oct. 10 of the memorial exposition marking the 40th anniversary of the Japanese administration in Formosa.

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Judge Helmick Grants Month's Delay in Trial of Raven Case

A postponement of the trial of the Messrs. Frank Jay Raven, J. Warner Brown and Alfred H. Driscoll on 15 charges of embezzlement in connection with the failure of the Raven enterprises, of which they were officers, was granted by Judge Milton J. Helmick in the U. S. Court for China Oct. 18 at the request of United District Attorney Felthan Watson over the vigorous opposition of Messrs. Richard T. Evans, W. B. Harrington and C. S. Frankten, attorneys for the defense.

In asking for delay of a month, Mr. Watson said that after information had been filed against the trio on August 31, investigation was started by the Attorney-General of the United States in various American cities, and four witnesses were to be brought from the United States to Shanghai for the trial. On October 15, the Attorney-General cabled a request for postponement of the trial date for one month in order to send these witnesses and certain documents to Shanghai.

Three points were raised by Mr. Evans: Whether the absent witnesses are material, whether the government has been guilty of negligence in preparing its case, and whether the witnesses can be procured at a later date. He asked for a formal ruling on the three points he had raised. Each of the defendants had filed affidavits to support arguments against granting a delay.

Judge Helmick replied that Mr. Watson's motion was directed to the discretion of the court and the court must exercise discretion in a reasonable manner. The court had set the original date and there was nothing irrevocable in the action. The court realized that the defendants were entitled to a speedly trial, but there was nothing unreasonable in the application for postponement. It was evident that witnesses are coming from the United States, and the court would be more indulgent than if they resided in China. Judge Helmick said it is an important case and should be thoroughly presented by both sides, and the court should not refuse any reasonable requests that will make possible a complete hearing.

Judge Helmick set the trial of the case for Nov. 29. The case had originally been set for Oct. 29.

Realty Investment Officials Join in Petition for Appointment of Receiver

Following the filing of a petition for the appointment of a receiver and a writ of injunction restraining the officials and employees of the Realty Investment Co., Federal Inc., U.S.A., from doing anything to the property or income of the firm, Judge Milton J. Helmick, in the U.S. Court for China, Oct. 17, issued a restraining order to C. D. Meinhardt, Consul in charge of the Land Office of the American Consulate-General, from recording or acknowledging any transfers of the property of the concern until the further orders of the Court.

The petition was filed on behalf of eleven stockholders who hold a substantial part of the voting stock of the firm, and two creditors whose joint claims amount to $74,774. It was stated that the firm had not on hand sufficient money to meet its obligations now due, and that unless the Court intervened, the properties of the firm would be dissipated and sacrificed, and interminable litigation would ensue, to the great and irreparable damage and injury of the complainants and all the other stockholders and creditors of the concern. The complainants were:—R. M. Vanderburgh, president, Miss Alice E. Allen, Miss Ethel M. Allen, Mrs. L. S. Hoi, C. L. Boynton, George A. Fitch, W. A. Main, A. R. Hager, G. S. Foster-Kemp, Miss Idabelle Louis Main, Fred Kempton, manager and secretary, stockholders; the Methodist Episcopal Mission, to which the firm is indebted in the sum of $56,000; and Walter Hiltner, to whom the firm is indebted to the amount of $18,774.

An answer filed by Owen Krause, the treasurer, Oct. 19 stated that the Realty Investment Co. admitted each and every allegation contained in the bill of complaint, submitted its rights in the premises to the protection of the Court, and joined in the prayer of the bill of complaint.

Truman Johnson and Family Depart for the United States

Truman Johnson, for the past several years prominent in local financial and real estate circles, departed from Shanghai Oct. 17 accompanied by his family, to reside permanently in the United States. His departure took place following his resignation as president and director of the Asia Electric Co. Fed. Inc., U.S.A. Captain A. R. St. Louis, managing director of the organization, is now in active charge. He states that a new president is to be elected at the next meeting of the Board of Directors.

Miss A. Viola Smith, American China Trade Act Registrar, recently asked for the appointment of a trustee for the company on the grounds that it had violated the trade act in issuing shares for promissory notes, but Judge Milton J. Helmick, of the United States Court for China, ruled that the violation was not sufficient cause for a receivership. However, he ordered the company to remedy the violation within 60 days, the court retaining jurisdiction meanwhile.

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Will Set Him Right.

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Shanghai, Oct. 24, 1935

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